MANUAL OF INSTRUCTIONS FOR THE MAINTENANCE OF ACCOUNTS OF THE PANCHAYAT UNIONS

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GOVERNMENT OF MADRAS
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CHAPTER - I

LEAVE RULES

The following are the various kinds of leave admissible to Government servants :-

I. Earned leave.

II. Maternity Leave.

III. Unearned Leave on Medical Certificate.

IV. Unearned leave on private affairs.

V. Extraordinary Leave without Allowances.

VI. Study Leave.

VII. Hospital Leave.

VIII. Special Disability Leave.

IX. Compensatory Holidays.

X. Casual Leave.

I. EARNED LEAVE

1 1 Superior Service-Temporary Government ser... at ... pointment and Probationers ...

(1) They earn leave at 1/22 of duty period limi... L. R. 25) days (T. N. L. 20(1).

(2) When Temporary candidates and probatio... service earned ... 30 days ousted, the leave at their credit will lapse (T. N. L. R. ... ber 1979.

(3) Earned leave taken during probation period wi... 2—1979) the period of probation (Rule 1 Annexure VIII of F. R. ...

(4) "X"-ray Radium Department :- ... tion of 15 1/11 ... of duty period limited to 30 days (R... er completion ... ays per year Tamil Nadu Leave Rules). ... ce, dated 8th

... 1

Note :- The temporary Government servants including probationers in "X" - ray or Radium Departments are not entitled to the benefits of compulsory leave under rule 9(b) and drawal of "X" - ray Special pay during the period of compulsory earned leave with reference to note 2 under rule 28.

(Ruling (1) under Rule 20(1) of Tamil Nadu Leave Rules)

(5) In vacation department a reduction of 15 day of earned leave per year should be effected (Note under T.N.L.R. 20). only part of the vacation is availed of the reduction should be proportionate

1.2. Approved Probationers/Permanent Government servants :

(1) 1/11 of duty period limited to 180 days (T.N.L.R. 8 read with Rule 25).

(2) Approved probationers, if ousted for want of vacancy, the leave at credit will not lapse. It can be carried forward on re-appointment (T. N. L. R. 25).

(3) After completion of five years of regular service or on confirmation, the leave account will have to be recast (or recalculated) at 1/[illegible] th of duty period from the date of regular appointment.

(T. N. L. R. 27 and note there under).

[illegible] X ray, Radium Department :

[illegible] th of the duty period limited to 180 days, to be reduced [illegible] ys each year for compulsory leave of one month. (b) read with Rule 11 of the Tamil Nadu Leave Rules).

[illegible]) Vacation department :- A reduction of earned leave [illegible] per year should be effected in the leave account [illegible] If only part of the vacation availed of the reduction [illegible] roportionate.

[illegible]E: Leave salary for earned leave will be the pay and [illegible] in full last drawn.

(T. N. L. R. 28 (a)).

Teachers in Elementary, Secondary and Higher Secondary Schools under Education Department 15 days on every 1st June.
(G. O. Ms. No. 1472 Education dated 21-12-85)

1. 3. Basic Service - Probationers :

(1) 1/22nd of duty period limited to 30 days.
(T. N. L. R. 20 (ii)).

(2) When ousted from service, the leave at credit will lapse. (T. N. L. R. 24)

(3) Earned leave taken during probation period will extend the probation. (Rule 1 of Annexure 8 of F R.)

(4) No earned leave is admissible in respect of temporary basic servants.

(5) Earned leave is not admissible in vacation department, for temporary/probationers in Basic service.
(Note 1 under Rule 20 (1) of T. N. L. Rs.)

1. 4. Approved Probationers and Permanent Basic Servants :

(1) 1/22nd of duty period limited to 60 days.
(T. N. L. R. 17 and 20 (ii)

(2) Approved probationers when ousted, the leave at credit will not lapse. It can be carried forward on re-appointment
(T. N. L. R. 25)

(3) After completion of 5 years of regular service earned leave is admissible at 1/11th of duty period limited to 180 days just like Superior Service with effect from 28th December 1979. (G. O. Ms. No 1381, P & A. R. (F. R. II), dated 28-12-1979) No recasting of previous leave account is allowed.

(4) **In vacation department :-** (a) A reduction of 15 days per year has to be effected (T. N L.R. 17) (b) After completion of 15 years of regular service a reduction of 30 days per year has to be effected (G O. Ms. No. 226, Finance, dated 8th

February 1971) If only part of vacation is availed of, the reduction should be proportionate.

(5) When promoted to Superior Service, he is eligible to earn leave at 1/11th of the duty period limited to 180 days (Ruling I under T. N. L. R. 23).

(6) On reversion and re-promotion the leave will be carried forward from the date of promotion to the Superior Service.

1. 5. Surrender of Earned Leave :

(Authority - G O Ms No. 1089 P & AR (F. R. II), dated 1-11-1980)

1) Surrender of earned leave shall be permitted while on duty and also while on all kinds of leave except Extraordinary Leave without Allowances (Without Medical Certificate) and Unearned Leave on Private Affairs.

2) For surrender of earned leave not exceeding 30 days the interval between one surrender and another shall be 24 months for surrender not exceeding 15 days of earned leave the interval shall be 12 months.

3) Applications for surrender of earned leave can be made on or before the due date for surrender. Applications received within a month from the due date shall also be allowed. The date of surrender shall be indicated in the application for surrender of earned leave.

4) The order sanctioning the surrender of earned leave shall specifically indicate the date from which the Government servant concerned is permitted to surrender earned leave, so that entries could be made in his service book. The number of days of earned leave surrendered shall be reckoned as surrendered on this date and the interval for the next surrender will be reckoned from that date.

5) The leave salary shall be paid at 1/30th of the monthly salary for each day of surrender irrespective of the number of

days in the month in which the earned leave is surrendered and irrespective of the fact whether the Government servant is on duty or on leave other than Extraordinary Leave without Allowance (without Medical Certificate) and Unearned leave on Private Affairs.

6. The total number of days of earned leave availed and the earned leave surrendered shall not exceed the maximum earned leave admissible to Government servants.

7. These orders shall apply to State Government servants on foreign service as well as those on deputation to other Governments.

8. Government servants appointed either under the emergency provisions or on regular basis shall be eligible to surrender 15 days of earned leave only after completion of 12 months continous service; for surrender of 30 days of earned leave, they shall become eligible after completion of 24 month of continous service.

9. In order to guard against omission to post debit entries in the leave account, details of earned leave surrendered shall be noted in the Leave account and in the body of service books and a certificate to this effect shall be appended by the Drawing Officer in the Bills in which the leave salary for the earned leave surrendered is drawn.

In all cases where Government are the leave sanctioning authority surrender of earned leave for encashment be permitted by the Heads of Departments themselves subject to eligibility and case of Heads of Departments will however, he dealt with at Government level;

(Vide G. O. Ms No. 21 P & A Ra (F R II), dated (7—1—1982)

10. Permission to surrender earned leave once accorded should not to be revised to take effect from a letter date subsequently except in cases where earlier orders permitting surrender of leave are found to be erroneous.

(Govt. Letter No. 86904-81 P & A.R. (FR-III). dated 8-3-1982).

11. The condition in sub para (10) above is not applicable to Government Servants who have been reinstated to service after suspension and whose period of suspension is treated as duty. They can apply for surrender of leave on due dates within one month from the date of receipt of orders treating the period of suspension as duty.

(Govt. Lr. No. 38745/82-1. P&A A. R. (FR III), dated 29-5-1982 read with letter No. 92550/82-3, P & A.R. (F.R./III),
dated 18—1—1983)

12. Orders sanctioning Surrender of Earned Leave should be issued only on or after the date of surrender.
(Govt. Lr. No. 41131/FR II/79-2 P&A.R. (F.R.II).
dated 19—1—1983).

1.6. General:

1. While in the calculation of E L. 1/11 or 1/22 as the case may be, the fraction of duty days less than six or less than eleven as the case may be, will be carried over and added to subsequent duty period, and will counts as duty for the subsequent availing of leave. (G. O. Ms. No. 1011 P&A R. dt. 14—10—86).

2. The employees retiring from service under "Compulsory Retirement" because of punishment, are also eligible to encash the E. L. at their credit on the date of compulsory retirement.
(G. O. Ms. No. 161 P & A.R. dated 21-2-86 w.e f 21-2-86)

3. If an employee's probation is completed with retrospective effect, his leave account should be recast w. e f the date of completion of probation and the date of issue of orders regarding completion of probation may be altered to the advantage of the officer at his discretion. (Ruling (5) T. N. L R. 27)

Maximum Limit for Earned Leave

Period	Maximum Limit
Upto 31-3-1955	90 days
From 1-4-1955 to 31-3-1966	120 days

From 1-4-1966 to 31-3-1974 180 days, can be availed 120 days at a time.

From 1-4-1974 180 days and can be availed at a time.

(G. O. Ms. No. 444 Fin. dt. 30-3-1974)

II. MATERNITY LEAVE

(Authority F. R 101 (a) and instructions thereunder and Pregnancy Termination Act, 1971).

2. 1 - Permanent and Approved Probationers :-

(Married Woman Government servants only) 90 days of Maternity leave is admissible from pre-confinement servant. (Authority instructions under F. R. 101 a) and Note I thereunder and G. O. Ms. No. 279, P & A R. (F. R. II) dated 11th March 1980).

NOTE :- (i) Maternity leave shall be allowed to married women Government servants even for their third confinement, if they are having two living children ; and

(ii) No maternity leave shall be allowed for the confinement of Government servants who are already having 3 (three) living children, (Authority - G O Ms. No. 93, P & A R. (F. R. II) dated 4-2-1981)

2. 2. Probationers and Temporary Government servants:-

(1) Earned leave at credit to be availed first and balance of period failing short of 90 days can be granted as maternity leave.

(2) Temporary Government Servants should have completed one year of service.

NOTE :- If the Government servant was on any leave and the confinement takes place during the leave, the maternity leave commences from the date of confinement (Note under F. R. 101 b).

2. 3. **For abortion (both natural and legal abortion) :-** (Pregnancy 20 weeks maximum as per Pregnancy Termination Act, 1971) — Six weeks,

1. **Temporory Government servants complete one year of Service and probationers :-**

First earned Leave at credit to be exhausted and the balance falling short of six weeks can be granted as maternity leave.

2. **Approved probationers and Permanent Government servants :-**

Upto six week of maternity leave.

3. Generally maternity leave is admissible to married women Government employees; w.e.f 9—9—1986 the maternity leave for the third delivery is allowed if the employee gives an undertaking that she would undergo sterilisation, failing the maternity leave shall be cancelled.

(G O Ms. No. 891 P & A. R. dt. 9—9—1986).

III UNEARNED LEAVE ON MEDCIAL CERTIFICATE

3.1. **General:-**

Unearned leave is kept at the disposal of the Government Servant to be availed in case of necessity.

Unearned Leave shall be sanctioned on the condition that the whole amount paid as leave salary on UEL shall be recovered if the Government servant does not resume duty after expiry of leave, and Government servant concerned shall give untertaking that he will refund the leave salary for the period of UEL in case if he fails to join duty after the expiry of leave

(G. O. Ms. No. 795 Fin dt. 22—7—76)

Tuberculosis, Leprosy and cancer patients are exempted from rejoining duty immediately. after the expiry of leave.

(G. O Ms. No. 421 Fin dt 27—3—74)

Nature of the disease is not the criteria for UEL on M.C. and is allowed irrespective of the disease.

(Govt Lr No, 39906/F 1/76-10, P W.D. dated 15-12-76).

3.2. Reckoning of leave period

In G. O. Ms No. 160, P&A.R (F.R. II) dt. 15-2-1980 Government have ordered that the period of unearned leave on. Private Affairs or on medical certificate under the Tamil Nadu Leave Rules. 1933 be computed in terms of days only like the earned leave, instead of months and year as at present, and that for the purpose a month shall be taken to consist of 30 days. These orders shall take effect from the date of order. but the unearned leave already granted need not be revised. The balance of leave at the credit of Government servants shall in future be expressed only in terms of days at the rate of 30 days per month.

In G. O Ms. No, 1119. P & A R. (F. R. II) dated 2nd August 1979, Government have issued orders regulating the leave on Medical Certificate as follows:—

Period of Service (1)	Leave on Medical Certificate to which the employee may be entitled (2)
Upto 5 years	3 months (90 days i. e 3 × 30 days
More than 5 years but less then 30 years	6 months (180 days i. e. 6 × 30 days
More than 10 years but less than 15 years	9 months (270 days i. e. 9 × 30 days)
More than 15 years but less than 20 years	12 months (360 days i.e. 2 × 30 days)
More than 20 years	18 months (540 days i.e. 18 × 30 days)

In case of Tuberculosis, Leprosy/Cancer and Hansen diseases unearned leave on Medical Certificate may be granted 18 months

in all, if a certificate received from a recognised institution where the Government servant is undergoing treatment (Vide Rules, 15-A, 18, 23-C, of Tamil Nadu Leave Rules).

SUPERIOR SERVICE

Temporary Government Servants	Nil
Probationers (Completed 2 years but not declared probation)	180 days in all 60 days at a time (T.N.L R. 23 (a) and ruling (2) thereunder) 90 days upto 5 years of service. Government letter No. 85891/79-33 P& A.R. (F. R. II), dated 17-7-1981)
Approved probationers and permanent Government servants	540 days (18 × 30 days) (T.N L.R. 15 and 15-A and 25).
Leave salary	Full pay and allowances last drawn (T.N L R 28 (a)

BASIC SERVANTS

Temporary Government Servants	Nil
Probationers (completed one year of service)	10 days for every completed one year of service (T.N.L R. 23 (c) and ruling (2) thereunder)
Approved probationers	10 days for every completed year of service T.N.L.R.23(c) and ruling (2) thereunder).
Permanent Basic Servants	180 days (ie. 6 × 30 days) (T.N.L.R. 18)
After completion of 15 years of Service	540 days (ie. 18×30 days) Rule 19-A under T.N.L.R.)
Leave salary	Full pay and allowance last drawn (T.N.L.R. 28(a).

NOTE:- The Government servent should return to duty. It is not necessary in the case of leave preparatory to retirement, death or invalidation.

(T. N. L. R. 15-A and Ruling 4 under T.N L.R. 15).

3.3. Reference to Medical Board:-

Should be made in respect of following cases:—

(1) If a Government Servant applies for Unearned leave on Medical Certificate exceeding 60 days of all or in piecemeal combined with some other kinds of leave.

(Vide Govt. Lr. No. 96430/81-2, P & A.R. (F. R. III) dated 8th April 1982)

(2) Immediately after transfer even though the leave is less than 60 days.

(3) At the discretion of the leave sanctioning authority in ease of frequent application for grant of Unearned Leave on Medical Certificate even though it is less than 60 days.

(Rule 9-A under Fundamental Rule 74 in Annexure II Appendix I of Fundamental Rules).

4) Government servants who have been on unearned leave on Medical Certificate exceeding two months (i. e. 60 days), can rejoin duty obtaining a fitness certificate from a Civil Assistant Surgeon in Government Service (Vide G.O.Ms No. 233, P&A.R. (F. R. II) dated 3rd March 1980 read with Government letter No. 46802/A/F.R.II/81-1 P & A. R. (F.R. II) dated 9th July 1981). To avoid any delay in sanction of Medical Leave, the Government have laid down the following time-limit for submission of leave applications by Government servants and for the Officers to take action on such applications :-

(i) A Government servant intending to go on Unearned Leave on medical Certificate should submit his application well in advance (i e.,) before going on Unearned Leave on Medical Certificate and in exceptional cases, where such advance application

is not possible within 7 days from the date of entering on such leave.

(ii) On receipt of such application where reference to the Medical Board is necessary, such reference should be made within 3 days by treating the current on top priority basis (Vide G. O. Ms No. 411,P & A.R. (F.R.II), dated 5th April 1980).

The procedure laid down in Rule 9-A under F.R. 74 (in Annexure II, Appendix I of F.R.) should be followed for sanction of Unearned Leave on Medical Certificate exceeding 60 days and other cases referred therein.

(Government letter No. 46802-A/F,R. II/81-1/P & A.R. (F.R.II) dated 9th July 1981).

5. Reference to Medical Board is not necessary for granting Unearned Leave on Medical Certificate in the case of Government Servants who are admitted as in-patients in Government Hospitals for the period of treatement and also if the period of leave recommended is co-terminus with the period of treatment.

(Authority G. O. Ms No. 727 P& A.R. (F.R.II), dated 12th July 1980).

6. Private Nursing Homes:

Government servants undergoing treatment as in-patients for more than 60 days in private Nursing Homes should adopt the following procedure for getting the sanction of U E L. on M C.

(i) patient may be produced before the Medical Board (if it is restricted within a short distance for cheek up. and issue of M C. and the ambulance & hire charges for the purpose, will be reimbursed by the Government.

(ii) If the patient cannot be produced before the Medical Board. the Medical records should be produced for the issue of M C. on the condition that the patient should be produced at the earliest opportunity and the ambulance hire charges are reimbursable. (G O Ms. No. 307 P & A.R. dt 24—3—1986)

3 4. Basic Servants — Grant of Unearned Leave on Medical Certificate :-

(i) Non-permanent Government servants in Tamil Nadu Basic Service excluding temporary Basic Servants will be eligible for Unearned Leave on Medical Certificate with reference to Rule 23(C) of Tamil Nadu Leave Rules till they complete 15 years of regular service or made permanent.

(ii) The permanent Government servants in Basic Service will be eligible only for six months (180 days of Unearned Leave on Medical Certificate till 15 years of service limited to 2 months (60 days) at any one time.

(iii) After 15 years of regular service, Basic, Servants shall be eligible for Unearned Leave as ordered in G. O. Ms. No. 1119, P. & A. R. (F.R. II.), dated 28th September 1979.

(Vide Government letter No. 8589 /79-33, P. & A. R. (F. R. II), dated 17th July 1981).

IV. UNEARNED LEAVE ON PRIVATE AFFAIRS

In G. O. Ms. No. 1119, P & A. R. (F.R. II), dated 28th September 1979 Government have ordered restricting the leave on private affairs to a period of 3 months (90 days) (i.e. 3×30 days) for first ten years of service of an employee, which shall be carried forward beyond 10 years when alone he will be eligible for the full period of 6 months (180 days) (i e. 6×30 days

4.1. SUPERIOR SERVICE

(1)	Temporary Government Servants and Probationers	Nil
(2)	Approved probationers and permanent Government Servants ..	180 days (i. e. 6×30 days) in all, three months at a time (T.N.L.R. 13 and 25).

(3) This can be combined with Earned Leave, but the total shall be limited to six months or 180 days at a time (T. N. L R 14).

(4) Leave salary ... Half of pay last drawn plus full allowances (T.N.L.R. 28 (b).

4.2. BASIC SERVICE

(1) Temporary Government Servants Probationers and permanent Government Servants-Upto 15 years of service. ... Nil

(2) After 15 years of regular service ... 180 days i.e 6×30 days) all and 90 days (i e. 3×30 days) at a time (G. O. Ms. No. 226, Finance, dated, 8th February 1971)

(3) Leave salary Half of pay last drawn plus full allowances (T.N.L.R. 28(b).

The Government servant should give an undertaking that he will refund the leave salary for the period of unearned leave in case he does not return to duty after expiry of leave

(Ruling 4 under Rule 15 of Tamil Nadu Leave Rules).

4.3. Leave Salary — Half pay last drawn with full allowances. (T.N.L. Rules 28(b).

V. EXTRAORDINARY LEAVE WITH ALLOWANCES

5.1. SUPERIOR SERVICE

(1) Temporary Government Servants and probationers. 180 days (i. e. 6X30 days) in the normal cases and twenty-four months (i. e. 24X30 days) for treatment of T.B. or Leprosy for persons who are in continuous service exceeding one year.

(2) Approved probationers ... and permanent Government servants	Upto 5 years (F. R. 18).
(3) Leave salary ...	Nil, but for treatment of T. B., Leprosy, Cancer and Hansen's Disease an ex-gratia allowance equal to half pay subject to a minimum of Rs. 75 is admissible to Government servants drawing pay not exceeding Rs. 1,000 (Note (4) under T N.L.R. 28).

5. 2 BASIC SERVICE

(1) Temporary Government Servants and probationers and approved probationers.	180 days (i. e 6×30 days) in the normal cases and twenty-four month for treatment of T. B. or Leprosy.
(2) Permant Government servant	Upto 5 years (F. R. 18).
(3) After 15 years of Regular Service	Upto 5 years (G O Ms. No. 226, Finance, dated 8th Februry 1971).
(4) Leave Salary ...	Nil, but for treatment of T.B. and Leprsoy ex-gratia allowance equal to half pay subject to minimum Rs 40 per mensem (T.N.L.R. 29(e).

(5) In cases of Extraordinary Leave with medical certificate, the period will count for pension and increment [F R. 26(66)]

(6) Extraordinary Leave is nothing but leave on loss of pay.

(7) This leave may be combined with any other leave but the total availed at a time should not exceed 5 years.

(8) E O. L. on M. C. exceeding 60 days may also be referred to the Medical Board, if found necessary.

(Govt. Lr. 69548/82-1 P & A. R. dt. 13–9–82)

VI. STUDY LEAVE

(F.R.84 and Appendix II. (Tamil Nadu Study Leave Rules).

(1) Conditions	...	At least five years service should have been completed and there should be three years before retirement and should hold Gazetted Status. Bond should be executed as specified.
(2) Quantum of leave	...	Twelve months at a time and 24 months in all.
(3) Purpose	...	To study scientific or Technical problems or courses of instructions in or outside India
(4) Leave salary	...	Half pay plus study allowance fixed by Government (Rule 19 of Appendix II).

(5) The Study leave may be combined with any other leave and the total of study leave and other leave sanctioned in continuation should not exceed 28 months.

(6) Study leave will count for the purpose of pension, promotion increment etc. but not for the purpose of calculation of Earned Leave

(7) During study leave, no other leave shall be sanctioned.

(G. O Ms No. 488. P & A. R. dt. 23—5—1983)

VII HOSPITAL LEAVE

(F. R. 101, (b) Instruction 3.)

All Basic Government Servants and such subordinate Government servants whose duties involve handling dangerous machinery. explosive materials, poisonous drugs etc. or the performance of hazardous tasks, while under treatment for illness or injury is directly due to risks incured in the course of their duties, are eligible for hospital leave.

(Instruction 2 under Fundamental Rule 101 (b).

(1) Only for permanent Government servants of Subordinate Services who are exposed to special risk of accident or illness are eligible not exceeding six months in every three years.

But Government servants in Fire Service, Government Press, Police Constables, Forest Reserve Watchers, etc. temporary and officiating other than Ministerial Service are also eligible for hospital leave. (Instruction 2-A of F.R. 101 (b).

(2) When combined with other leave-Maximum 28 months.

(3) **Leave salary:** Full pay and allowances for the first three months, half pay and allowances for next three moths.

The Hospital leave is not debited against the leave account F. R. 101 (b).

VIII. SPECIAL DISABILITY LEAVE

(F. R 83)

In the case of Government servants disabled by injury while he was on official duty or official position, special disability leave is admissible for a maximum period of 24 months on the basis of the certificate from the Medical Board.

In the case of non-gazetted Government Servants of the Police Department including Fire Service Branch, Excise Department, a certificate of Civil Surgeon is sufficient, if the period of leave recommended does not exceed two months.

Leave Salary

First 4 months ... Full pay and allowances.

Remaining period ... Half pay and allowances (F. R. 83)

IX. COMPENSATORY HOLIDAYS

Compensation Holiday may be granted to Government Servants subject to the following conditions.

(i) Only the Officials belonging to C and D Groups are eligible for Compensatory Holidays. as a matter of rule whenever they are called to work on Holidays Officials belonging to A and B groups will not normally be eligible for Compensatnry Holidays. However, if the occasions of their attendance on holidays become so regular as to make it almost a matter of routine, they would also be eligible to claim Compensatory Holidays. The immediate superior Officials would be competent to sanction the Compensatory Holidays

(2) No compensatory Holiday can be claimed as a matter of right. It shall be within the discretion of the superior officers competent to grant Casual leave, to admit the claim for Compensatory Holiday or not.

(3) No Government Servant shall pe entitled to a credit of more than twenty Compensatory Holidays in all, in a Calender Year.

(4) Every Compensatory Holiday shall automatically lapse at the end of six months of the Holidays to which it relates.

(5) Compensatory Holiday can be combined with Casual Leave or authorised Public Holidays subject to the condition that the total period of absence shall not exceed ten days, Compensatory Holiday can also be prefixed or suffixed to regular leave, subject to the usual conditions.
(G. O. Ms. No. 2218, Public (Misc.) dated 11th December, 1981) and [Paragraph 7 [iii] of D. O. M. as introduced in G O.Ms.No. 538, P and A. R. [Per. A] Dept. dated 6th June 1983.]

X. CASUAL LEAVE

1 Casual Leave is not a regular leave It is a concession given to Government Servants to be absent themselves in special circumstances for short periods. They can absent themselves for not more than 12 days [Twenty days] in a calender year. It may

be combined with Sundays, Holidays or compensatory leave provided that the absence should not exceed ten days. (Executive Instructions in Annexure VII Appendix I of F. R.).

2. C. L period will count to pension, Increment, leave etc.

3. C. L. should not be combined with E. L. or UEL etc.

4. Application for C. L. need not contain the purpose for which the C. L. is requested.

(G. O Ms. No. 1410 P & A. R. dt. 2-12-77),

SPECIAL CASUAL LEAVE

5. The special C. L. may be combined with regular leave such as E. L., U. E. L. etc.

6. The holidays may be prefixed/suffixed to the special C. L. and regular leave, but should not be sandwitched between special C. L and regular leave.

(Govt. Memo. No. 27622/R2/78-6 Health dt. 14-6-78).

7. 7 days of Special C. L. shall be allowed to an employee whose wife undergoes sterilisation operation, on the production of a M. C. from the doctor who performed the operation. (G. O Ms. No. 120 Health dt. 20-1-77).

8. 20 days of Special C. L. shall be allowed to temporary married woman Government Servants for undergoing sterilisation operation. (G. O. Ms. No. 229 P & AR dt. 10-3-82).

9. 7 days of special casual leave shall be allowed to an employee whose wife undergoes Medical Termination of pregnancy with Tubectomy. The leave should be certified by the Medical Officer who performed the operation or by the recognised institution.

(Govt. Memo. No. 4535/R.I./77-11, Health dt. 25-6-77.
G. O. No. 270 Health dt. 10-12-78).

10. 21 days of Special C. L. shall be sanctioned to employees who are unmarried or have less than two children for undergoing operation for Recanalisation. Sundays and holidays shall count against 21 days.

[G. O. Ms. No. 2323 Health dt. 28-12-81].

11. 20 days of Special C. L. shall be allowed to women Government servants who undergo non-preperal sterilisation operation during ordinary time, and the leave is not allowed if the operation is performed immediately after confinement.

11. a) 8 days of Special C. L. shall be allowed to men Government Servants who undergo sterilisation operation.

[Ruling 11 of 7[a] Annexure VII to F. R.]

12. In case of Home Guard duties the entire period of absence shall be treated as Special C. L.

[G. O. Ms. No. 289 P & A R. dt. 29-3-84]

13. A Government Servant participating in sporting events of national and international importance shall be allowed 30days special C. L. in a calender year and excess leave availed may be sanctioned as E. L. or U. E. L. on P. A.

13. a) This special C. L. can be combined with other kinds of leave except ordinary C. L. and the Government Servant is not eligible for this special C. L. if he participates in his personal capacity.

[Annexure VII-Rule 7 [c] [2] [3] under Special C. L.]

LEAVE CHART

Classification of Leave	Superior Service		Basic Service	
	Emergency [10] [a] [i] and Probationers	Approved Probationers, Permanent and 15 years completed Basic servants	Emergency, [10] [a] [i] and Probationers	Approved Probationers and Permanent [Those not completed 15 years only]
1) Earned Leave	One day for every 22 days of duty. Leave exceeding 30 days will lapse - TNLR 20. If terminated and re-appointed, leave account will start afresh.	One day for every 11 days of duty. Leave exceeding 180 days will lapse - TNLR 8. If terminated and re-appointed, leave account will be carried over as credit.	One day for every 22 days of duty. Leave exceeding 30 days will lapse - TNLR 20 [ii]. If terminated and re-appointed, leave account will start afresh.	One day for every 22 days of duty. Leave exceeding 30 days will lapse - TNLR 17 [see the note below]. If terminated and re-appointed, leave account will be carried over as credit.

Classification of Leave	Superior Service		Basic Service	
	Emergency, [10] [a] [i] and Probationers	Approved Probationers, Permanent and 15 years completed Basic servants	Emergency [10] [a] [i] and Probationers	Approved Probationers and Permanent [Those not completed 15 years only]
2. *Earned Leave [Vacation dept]*	Two days in a year-TNLR 17. In respect of teachers 15 days E.L. will be credited to his account on 1st June -G. O Ms No. 730, Edn., dt. 23-4-82. The Head master and one Junior Assistant working in the High Schools / Higher Secondary Schools will be allowed E. L. — 1/11 - G.O.Ms. No 13, P. & A. R. dt. 6—1—82.	Three days in a year TNLR 9. In respect of teachers, 15 days E L. will be credited to their account on 1st June -G.O.Ms.No. 730, Edn, dt. 23-4-82. The Head master and one Junior Assistant working in the High Schools / Higher Secondary Schools will be allowed E. L. - 1/11 - G. O Ms. No. 13, P. & A.R., dt. 6—1—82.	No. E.L. is allowed Note [i] under TNLR. 20.	Two days in a year-TNLR 17.

3. UEL on P. A.	Nil	0-10 years – 90 days 10 and above – 180 days. [For whole service 180 days spread over as shown above].	Nil	Nil
4. UEL on M.C.	Nil - Ruling [2] TNLR 23 If completed 2 years probation: as shown below: I 0-2 years: Nil 2-5 years: 90 days 5-10 years: 180 days Above 10 years: Nil	0-5 years: 90 days 5-10 years: 180 days 10-15 years: 360 days 15-20 years: 360 days Above 20 years: 540 days	[1] Nil-Ruling [2] TNLR 23 [3] For probationer ten days for every completed year.	[1] 10 days for every completed year maximum accumulation is 180 days At a time 60 days can be availed. [2] If the basic servant completes 15 years from the date of regularisation. he shall be allowed UEL on M.C. and UEL on P. A. as admissible in Col. [3]

Note: [1] Duty for this purpose has been as explained in TNLR 4.

[2] Persons suffering from T.B, Leprosy, and Hansens disease may be allowed UEL on M.C. without any reference to their service. For example, an Approved Probationer who has got a service of only six months, may be sanctioned 18 months leave. (As per normel rules, one should have completed 20 years service to become eligible for 18 months leave—G.O Ms. No. 559, P & A. R. dt. 25—6—83.)

[3] The H. M. and one Junior Assistant working in the schools will be treated as non-vaction department and will by allowed E. L. @ 1/11. Without the assistance of watchmen and office Assistants [Basic servants], a head master cannot run his Office during the vacation and ensure security to the school's property. Hence the rules would have been more appropriate if the same facility is also extended to the watchmen and office Assistants who are actually complled to work during the vacation.

[4] In respect of probationers, UEL on MC will be allowed if they complete two years service [Two years shall be calculated from the date of regularisation as per Ruling [2] under TNLR 23 [a]

CHAPTER - II

II TRAVELLING ALLOWANCE RULES

Travelling Allowance is granted to an employee to cover the expenses which he incurs in Travelling in the interest of the public service.

There are various kinds of T. A. and are mentioned below :

1. Daily Allowance.
2. Flat Rate
3. Mileage Allowance
4. Incidental charge.
5. Fixed Travelling Allowance
6. Lumpsum Allowance
7. Conveyance Allowance
8. Transfer Travelling Allowance.

1. DAILY ALLOWANCE

1. 1. Daily Allowance is given to an employee on tour for his absence to cover the normal expenses incurred by him and one full D. A. is allowed for every block of 24 hours of absence.

1.2. Daily allowance will be allowed for every 24 hours of absence from H. Q. irrespective of the fact whether the time is spent on journey or halt in camp. The details of period of absence and percentage of D. A. allowed is given below :

Absent period	D. A. percentage
0 to 6 hours	30% of the D. A.
6 to 12 hours	70% of the D. A.
12 to 24 hours	100% of the D. A.

1.3. D. A. is not admissible during casual leave or restricted holidays availed of in camp, and for holidays spent outside the camp.

1.4. The rates of D. A. are enhanced by 50% in class I and by 33 33% in class II localities.

a] The rates of D. A. of a Government servant who spends part of a day in special locality and part in ordinary locality is determined according to the place where he halts, after the journey, [Ruling I under Annex. V to T. A. Rules].

b] Only ordinary rate of D. A. is admissible to a Government Servant whose H. Q. is in a special locality when he claims D. A. for a journey from and to H. Q. on the same day. [Note 2 under Ruling I Annex V].

1.5. Just passing through a special track between two destinations will not make an employee eligible for the increased rate of D A [G. O. Ms. No. 1054 Fin. dt. 5—10—78].

1 6. If more than one journey is undertaken on the same day, D. A. shall be allowed for anyone of the journeys at the employee's option, and not for the each of journey undertaken on the same day.

[Govt Memo. No. 1164/PC/78-1 Fin. dt. 23-10-78].

1.7. D. A. at camp is reduced to —

a] 1/4 of the admissible rate where boarding & lodging are allowed free at the expense of other Government or any autonomous/commercial/industrial/Statutory boby/local authority in which Government funds have been invested or in which Govt. have any other interest.

b] 1/2 of the admissible rate if either boarding or lodging is provided free of cost. [T. A. Rule 43 [b].

1.8. Maximum days upto which D. A. can be allowed are detailed below :

No. of days	D. A. allowed
upto 30 days	Full D. A.
31 to 90 days	50% D. A.
From 91st day and above	No D. A. The absence will be treated as temporary shifting of H. Q.

[G. O. Ms. No. 1255 Fin. dt. 4-9-1979].

1.9. a] A halt is not considered terminated by a visit to H. Q. extending over less than 3 consecutive nights.

[Ruling 1 under Rule 45]

b] The continuity of a halt is broken by an absence on duty at a place beyond 8 KM from camp and for not less than 3 consecutive nights. If the continuity is broken, the concession of full D. A. for the first 30 days is admissible for both the periods of halt. [T. A. Rule 45 [b].

1.10. Detailed T.A. Table prepared by ATC

2. FLAT RATE

2.1. Flat rate is allowed to a Government Servant to meet the expenses at both ends of the journey i. e., the expenses due to cover some distance to reach the RailwayStation/Bus stand from his residence or from the place of halt/residence and vice-versa.

2.2. The flat rate is allowed at both ends of the journey irrespective of the time gap

[Govt. Memo. No. 126593/PC/78-1 Fin. dt. 2-11-78].

2.3. An employee shall be allowed flat rate if the distance between Railway Station/Bus stand and other end is at least ½ KM.

[Govt. Memo. No. 7818/PC-11-B/79-2 Fin. dt. 14-5-79].

2.4. Flat rate is also allowed for the journeys performed in villages if the distance between the places exceed ½ Km.

[Govt. Lr. No. 98666/All-81-1 dt. 30-12-81]

2.5. If the interruption due to departure and arrival exceeds four in a calender year, the flat rate allowed shall be restricted to four.

[Govt Memo. No. 132096/PC-11-B/79-1/Fin. dt. 6-4-79].

2.6. Flat rate is not admissible for the journeys performed by Govt conveyance or by car.

[Govt. Lr. No. 2·205/All-I-81-2, dt. 11-11-81].

2.7. If an employee performs two journeys in a single day. Flat rate is allowed only for the first journey and not for the second journey.

[Govt. Memo. No. 128789/ C-I/78 Fin. dt. 15—11—79].

2.8. While claiming Flat rate, the employee should furnish a certificate regarding the mode of conveyance used for the journey. [Govt. Lr. 86721/A/All-I/85-2 dt. 21-8-85].

3. MILEAGE ALLOWANCE

Mileage allowance is allowed to an employee who perform the journey by car or motor cycle or scooter. Mileage is also admissible for travel by Auto rickshaws, Tonga, Cycle rickshaws and man driven rickshaws.

[Govt. Lr. No. 86902/All-I/85-3 Fin. dt. 10-1-86].

1. Rates of Mileage Allowance :

Motor Car		By motor cycle/Scooter/ Moped/Auto rickshaws		Other than Motor Car/cycle.	
First 100 Km	Rs. 1-50	First 100 Km	0-75	I	1-30
Next 100 Km	Rs. 1-30	Next 100 Km	0-65	II	0-80
Remaining Distance	Rs. 1-20	Remaining Distance	0-60	III	0 65
				IV	0-65

The mileage allowance for journeys not involving change of camp or from H. Q. and back to H. Q. on the same day shall be subject to a maximum limit of Rs. 120/- for motor car and for Rs. 60/- in respect of Motor cycle/Scooter.

3.2. Government employees drawing a pay of Rs. 1400 and above are allowed to perform journey by car and claim mileage, but D. S. P., D. D. O., R. D. O., C. T. O., R. T. O., Deputy Collectors are granted Mileage for journey by car though they drew pay less than Rs. 1400/.

[Govt. Memo. No. 19845/All-I Fin. dt. 5—6—79].

3.3. The rates of mileage allowance shall be increased by 50% in class I tracts and 33.33% in class II tracts.

3 4. OWN CAR:

(i) Government officials who undertake journeys by own car or staff car and if they travel beyond 320 Km, the mileage allowance is admissible upto 320 Km and no mileage allowance is granted for the distance exceeding 320 Km.

(G. O, Ms. No 312 Fin. dt. 17—5—82).

(ii) The restricted distance for mileage claim includes one way journey only. i e. either upward/downward and not the both (Govt. Lr. No 99538/All–I/82–1 dt, 20 6–83).

(iii) Borrowed conveyance should not be used for the distance exceeding 320 km.

(Govt. Lr. No. 81971/All-I/832 dt. 19-6—84).

(iv) If two are more Officers perform a journey in a conveyance owend by one of them, only the owner may draw mileage allowance and the others are not eligible for mileage allowance. (T. A Rule 25(a) Note 5).

4. INCIDENTAL CHARGE

A Government servant may, for a journey on tour by air or railway or a regular public motor service. draw for each of the day of departure from headquarters and the day of arrival back at headquarters one-half of the daily allowance for which he is eligible under Annexure I. to compensate expenses on porterage, reservation charges. etc., involved in the journey from headquarters to camp and from camp to headquarters. provided the absence from headquarters is 24 hours or more. If the absence is less than 24 hours, he may draw one-half daily allowance only either for the day of departure from or for the day or arrival back at headqnarters.

4.2. A Government servant may, for a journey by air or railway or a regular public motor service, draw one-half of the daily allowance for which he is eligible under Annexure. I to compensate expenses on porterage, reservation charges, etc. involved in each move from camp to camp provided the absence from

headquarters up to the time of departure from the place of first camp or the time gap between the moves from camp to camp is 24 hours or more. If the absence is less than 24 hours he is not eligible for the allowance for the journey from camp to camp.

4.3. In the case of journeys involving moves from camp to camp entitling a Government servant to this allowance for one or more such moves, the allowance can be drawn for the journey back to headquarters only if there is atleast a time gap of 24 hours between the last such move entitling him to this allowance and the arrival at headquarters.
(Finance Memo. No 2392/PC-III A/71-8, dt. 25th September 1971)

4.4 If the absence is less than 24 hours (herein this case absence is in continuation of the onward journey or return journey and not for on the same day) he is eligible to draw One half of the daily allowance only either for the day of departure from or for the day of arrival back at head quarters. Hence the half Daily Allowance is paid to Government servant only when the tour is in continuation of the onward journey or of the return journey and not for the onward or return to headquarters on the same day.
(Letter No. 170265/Finance (Allowance I) Department dt. June 1971).

4.5. This allowance is subject to increase by 50 per cent of 33 1/3 per cent for journeys in special tracts as contemplated in rule 47 of the Tamil Nadu Travelling Allowance Rules.
(Finance Memo. No. 2392/PC-IIIA-/71-8, dt. 25th September 1971)

4.6. The inicidental charges allowed during camp shall be based on the daily allowance admissible at that place.
(Govt. Lr. No. 64918/All-1/Fin. dt. 25-10-84).

5. FIXED TRAVELLING ALLOWANCES

5.1. A fixed monthly travelling allowance may be granted to one who is required to tour within a specified area. For not

less thau a given period. If he had not toured for a prescribed number of days his fixed travelling allowance shall be reduced for each in deficit by an amount arrived at by dividing the fixed travelling allowance for the period in question by the number of days prescribed as the minium for the period.

5.2. The allowance may not be drawn during leave or joining time. (T.A. Rule 13.)

5.3. A Government servant in receipt of F. T. A. who proceeds on tour beyond the specified area may draw I. A. as on tour including daily allowance for halts outside the specified area instead of proportionate F. T. A. for the days on which such allowances are drawn. Days on which T. A. is drawn includes catender days and portion of calendar days during which journey is performed. The deduction for each day will be 1/30 of the monthly rate sanctioned for a month. The T. A. may be drawn for the entire journey including such part of it as is within the specified area. A halt for portion of day in the course of journey within the specified area shall not be reckoned as interruption of journey. This rule does not apply to a Government servant who travels beyond the specified area in the course of a juorney from one place to another within the specified area

(T.A. Rule 63)

5.4. The fixed T. A. of an officer who goes on tour in a motor vehicle provided at the expense of Government or a conveyance other than Government vehicle, placed at his disposal with out paying any charge, should be reduced by 25% proportionately for the number of days he has actually used the vehicle, if such days go to make up the period of minium touring.

[T. A. Rule 15]

5.5. A Government servant appointed to hold full additional charge one or more posts to each of which a fixed travelling allowance is attached may draw only the largest of such allowances. [T. A. Rule 16 & F. R. 49]

6. LUMPSUM ALLOWANCE

This allowance is granted to a Government servant on transfer, to meet expenditure towards packing, loading, unloading and transporting of personal effects.

6.1. [i] Full lumpsum allowance shall be granted if personal effects are transported actually and claim for the transport is included in the bill. 50% of lumpsum allowance is granted even though no personal effects are transported.

[ii] If personal effects are transported in a borrowed conveyance lumpsum allowance shall be 50%.

[G. O. Ms. No. 943 Fin. [All-1] dt. 9-7-79]

6.2. 50% of the lumpsum is granted even if the officer does not carry any personal effects.

[T. A. Rule 70 [x] [b].

6.3. The remaining 50% of the lumpsum can be claimed separately at a later date on the production of certificate that the employee has actually transported the personal effects.

[Govt. Lr. No. 412/PC/III-B/72-1 dt. 30-3-72].

6.4. For the purpose of calculating Lumpsum allowance the actual road distance between two places is taken into account irrespective of the mode of conveyance.

[Govt. Memo. No. 24028/All-1/74-1 Fin. dt. 2-5-1974].

7. CONVEYANCE ALLOWANCE

7.1. Government employees whose pay is more than Rs. 1400 are allowed to maintain a car and other gazetted officers are permitted to maintain Motor Cycle/Scooter, on transfer, the vehicle may be taken to the new station by any of the following ways :-

[i] By its own propulsion

[ii] By transportation [Goods train]

[iii] By transportation [Through a Lorry].

In all the above mentioned cases, a Government employee is granted conveyance allowance on the condition that the distance between the two stations should be more than 130 KM and if the distance is 130 KM or less the employee is not eligible for conveyance allowance (T.R. Rule 72(iii).

7.2. **Rates of conveyance allowance:**

	By its own propulsion.	Transportation by Lorry etc.	By Goods Train
Motor Car	Rs 1-50/KM	Rs. 0-40/KM	The actual charges paid to the Railway
Scooter/Motor Cycle	Rs, 0-75/KM	Rs. 0-20/KM	

(G. O. Ms No. 69 Fin dt. 30-1-86)

8. TRANSFER TRAVELLING ALLOWANCE

Transfer Travelling Allowance is granted to a Government Servant on transfer towards the expenses arising due to the shifting of family to the new station.

8.1. Family for the purpose of TTA:-

(i) Wife & Children dependent on the Govt. Servant,

(ii) Wife only one

(iii) Adopted children

(iv) Step children

(v) Fully dependent married daughter

(vi) Fully dependent widowed daughter

(vii) Husband fully dependent on the woman Govt. servant.

(viii) Fully dependent Father and Mother.

8.2. When both husband and wife are Government Servants and are transferred within 6 months the old station to the same new station, both cannot claim T T.A. one of them can claim T.T.A. while the other begin treated as a member of his/her family not in state Government employment on strength of the certificate furnished by them (Ruling (5) under T.A. Rule 69

8.3. If wife/husband of the Government servant is in private employment and where wife/husband is transfereed, the T T.A. of the other may be treated as a member of his/her family subject to the condition that he/she travels to the place of transfer of the Officer within 6 months of his/her transfer (G.O.Ms.No. 834 Fin. dt 9–9–80).

8.4. **Personal effects:-**

(i) The house hold articles are called personal effects which also includes Milk cows and pet animals, but not the conveyance. (Ruling (4) under T.A Rule 70(iii)).

(ii) Personal effecrs can be conveyed by Rail/Lorry, if they are conveyed by lorry etc, the cost so paid shall be the actual fare that would be eligible had they been carried by rail or the charge paid to the lorry etc. whichever is less.

(iii) A certificate to the effect that the personal effects were in possession of the Government servant at the time of receipt of transfer orders shall be furnished (Note 3) under T,A. Rule 70 iii).

(iv) If a Government Servant transports more than the prescribed maximum limit of personal effects, he shall be granted charges only to the quantity to which he is eligible and if he conveys more than the prescribed maximum quantity in passenger train, he shall be allowed goods rate only for the excess quantity conveyeed. The head of the Department is empowered to fix lower maximum for conveyance of personal effects.

(T.A. Rule 70(iii))

(v) Refer T A. chart for Mileage Rate and maximum quantity of personal effects.

8.5. **Personal Servants:-**

(i) A Government servant on transfer is permitted to take his personal servants to the new station and can claim the actual fare towards the actual fare towards train/Bus, on the condition

that the persoral servants must be in employment of the Government Servant at the time of receipt of the transfer orders and a certificate to this effect should be furnished.

(Note 1 (i) under T. A. Rule 70/ vii).

(ii) The Servants shall be paid only train or bus fare by lowest class and not eligible for D. A. (Note 3 under T. A. Rule 70 (vii).

(iii) Driver or cleaner of the Officers Car is also paid the same as personal servants. (T. A. Rule 70 (v)

8. 6. Shifting of family :-

(i) Members of the family need not accompany the Government Servant to the new station and may, due to some reasons, have to proceed to the new station after some time and shall be allowed TTA on the condition that the member of the family should follow the Government servant within one month from the date of relief in the old station.

(ii) If a member reaches the new station within 6 months from the date of his (G. S.) taking over charge in the new station, he shall be allowed TTA. (T.A. Rule 76 and Ruling (2).

(iii) If any member of the family travels to a station other than tde new H Q the cost for the journey shall be granted to the family member provided the cost should not exceed the cost of journey between the old and the new H. Q.

(T. A. Rule 75).

(iv) If a member of the family travels to the new station from a place other than the officers old station, he shall be granted the fare paid for his journey to the new station or the fare from the old station to the new station whichever is less.

(T. A. Rule 76).

(v) T. T. A. is also granted to the sons/daughters if they travel from their place of study to the fare shall be from the place of study the new station or from the old station the new station, whichever is less. (Ruling (3) under T.A. Rule 76).

9. MISCELLANEOUS

9. 1. T.A. for the Family who retires from service :

(i) A Government servant who retires from service is permitted to reside anywhere in India and shall be granted T.T.A. to the station where he proposed to settle down as per entry in his pension application. (G.O.Ms No 796 Fin dt. 8–7–79).

(ii) An employee on retirement shall not be allowed T. A. for personal servants.

(iii) An employee retiring voluntarily also be allowed T,T.A. on the same terms applicable to employees retiring on superannuation
(Govt. Memo. No. 45769/Allow-1/79-2 Fin (All-I) Dt. 4–7 79).

9 2 Eligibility of Travelling Allowance and Daily Allowance to Government servants deputed for training :-

A Government servant deputed to undergo a course of training may draw travelling allowance as on tour for the journeys to and from the training centre, if the duration of the training centre, if the duration of the training is up to 180 days Daily allowance is admissible for the period of half at the training centre at the following rates :-

First 30 days	...	Full Daily Allowance
Next 60 days	...	¾th of Daily Allowance.
Next 90 days	...	½ Daily Allowance.
Beyond 180 days	...	No Daily Allowance

The trainees shall be allowed to claim Travelling Allowance as on transfer, if the training period exceeds 180 days. The trainees shall also be allowed to draw House Rent Allowance and City Compensatory Allowance at the rates admissible to the training place. (Vide sub-rule (a) in rule 106 of Tamil Nadu Travelling Allowance Rules as amended in G. O. Ms No. 813, Finance (Allowances-II), dated 18-12-1981).

9.3. T.A. to give evidence in Court/Dept enquiry.

(i) T.A. is not admissible if the Court in which the Government servant gives evidence is situated within 8 KM from his H.Q.

(ii) A Government servant is eligible for T A. as on tour when he is called to give evidence in India. provided the facts as to which he is to give evidence have come to his knowledge in the discharge of his public duties.

(iii) A certificate of attendance given by the Court/Authority shall be produced while claiming T.A. (T.A. Rule 69).

(iv) An employee on C.L or on suspension if called by a Court/Authority to give evidence, shall be allowed T.A as on tour.

(Rulings under T.A. Rule 96)

(v) A deliquent Government servant prosecuted under I.P.C. is not eligible for any T A.

(G. O. Ms. No. 1294 Fin. dt. 29-12-1976).

(vi) The Court will give T.A to the Government servant if he is not a party and if he had not come across the facts while discharging his duties. (T A. Rule 97).

9.5. An employee shall be granted train or bus fare for medical purposes provided that

(i) There is no medical facility available in the H.Q.

(ii) X-ray Blood Test facilities not available in the H.Q.

(iii) Medical Certificate should be produced for leave.

(Refer T.A Rules 99 to 101).

9.6. A Government servant who has to attend a examination (compulsory under the Rules) is eligible for only train or bus fare. No D A. and mileage is allowed T. A. for examination purpose shall not be granted more than twice.

(Refer T.A. Rule 86 to 89).

CHAPTER - III

LEAVE TRAVEL CONCESSION

3.1. EXTENT OF APPLICATION :

(1) The leave Travel Concession is admissible to all Government servants under the rule making control of the State Government who avail themselves of a minimum of 15 days of EL or CL and who are :

(a) Permanent Government servants :

(b) approved probationers in any category or if no definite period of probation is fixed for the post, have put in a total service for a period of two years of duty within a continuous period of three years ; and

(c) Officers appointed on contract basis, if the period of contracts is more than two years and re-employed officers on completion of two years continuous service.

(2) The concession is not admissible to persons who are :

(i) Not in the whole-time employment of the Government,

(ii) Paid from contingenc es ; and

(iii) Eligible for any other form of travel concession available during leave or otherwise.

3.2. FREQUENCY OF ENTITLEMENT

(1) The concession is admissible once in a period of two calender years. The term 'once in a period of two calender years' should be taken to mean once in each block of two calender years starting from the year 1981. Thus, the concession on the first occasion is admissible during the block of two consecutive years 1981 and 1982 and thereafter during the block years 1983—84, 1985—86 and so on.

(2) According to the new scheme introduced by IV Pay Commission, a Government servant can avail the LTC facilities once in a block of 4 years with reimbursement of journey expenses

for both upward and downward journeys and it is enough to avail 15 days E.L. For this purpose 4 year means January 1985 to December 1988, for either the old or new scheme.

3.3. ENTITLEMENT:

(1) Government servants and their families preforming journey to any place in the State of Tamil Nadu beyond 240 Km from the place of work shall be eligible for the leave Travel Concession either for the onward journey or for the return journey according to their choice.

(2) The Government will meet the actual fare for the journey of the Government servant and his family one way only.

(3) The fare for the journey performed by the Government servant and his family will be the railway fare by the class to which he is eligible under the Tamil Nadu Travelling Allowance Rules. For travel between places not connected by rail. the actual cost of travel by State Transport bus, Ordinary or Fxpress (not air-conditioned bus) shall be met by the Government. In respect of travel to places not connected by rail or bus the reimbursement of fare shall be restricted to what would have been admissible if the place had been connected by bus transport.

(4) The members of family of the Government servant may either travel together or separately in different groups as may be convenient to them but the return journey must be completed within who months from date of commencement of the onward journey of the Government servant and/or his family.

3.4. FAMILY DEFINED:

The trem 'family' shall be as defined in rule 2(iv) of the Tamil Nadu Travelling Allowance Rules, where both husband and wife are Government servants the concession shall be admissible to the family on the scale admissible to the husband or the wife and not both.

3 5. NO INCIDENTALS ADMISSIBLE:-

No incidental expenses are admissible for journeys performed under the Leave Travel Concession Scheme.

3.6. CONCESSION BASED ON SHORTEST ROUTE:-

Government's liability for the cost of travel by railway or bus between the Government servants' place of work and the place of visit is limited to the share of the fare by the shortest route, calculated on the 'through', ticket basis The Government servant or his family members may travel by any route or half anywhere on the way to or from the place of visit, but the Government's assistance will be limited to the share of the fare as above. The term 'shortest' route' carries the same interpretation as for travel on duty.

3 7. NATURE OF LEAVE:-

The concession is admissible only in the case of journey performed by the Government servant during earned leave and not during any other kind of leave. The period of earned leave should not be less than 15 days, In the case of vacation departments, vacation is treated as regular leave for purpose of this concession. The concession is not, however, admissible to a Government servant who proceeds on earned leave and them resigns his post without returning to duty The journeys by both the Government servent and his family members should commence within the period of earned leave. Along with the earned leave application of the Government servant full details of his travel plan as required in Form III should be furnished.

NOTE:- The L T.C. facilities may also be availed either during the period of E L. or C.L. of Holidays combined with some casual leave. G.O Ms.No. 862 Fin. dt. 11–9–86).

3.8. MODE OF PREFERRING CLAIM:-

Reimbursement of the cost of journey (one way) shall be made on presentation of claim in the travelling allowance bill from with the certificate that the journey was actually performed

and that travel was made by the class accommodation not lower than the one for which reimbursement is claimed. The serial numbers of the rail and/or bus tickets should be furnished in the bill.

3. 9. PRESCRIBED CERTIFICATES

The following certificates shall be furnished along with travelling allowance bill :-

(i) certificates from the controlling officer and from the Government servant concerned in Forms I and II ;

(ii) Leave sanction order with the details of travel plan as in Form III.

3. 10. RECORD OF ASSISTANCE :-

A record of all assistance granted under these rules shall be suitably maintained. In the case of self drawing officer the record shall be maintained by the Accountant-General/Pay and Accounts Officer as the case may be. In the case of other staff, the records should be in the form of entries in the service book or other appropriate service records and should indicate the dates of journey and place of visit. The authority responsible for the maintenance of service record shall ensure that on every occasion a Government servant proceeds on earned leave, the fact whether he availed himself of L. T. C. or not shall be indicated in the record.

3. 11. ADVANCE :

To enable Government servants to avail themselves of the Leave Travel Concession, advance shall be granted on the following terms and conditions :

(a) The amount of advance in each case shall be limited to four/fifth of the estimated amount which Government would have to reimburse in respect of the cost of journey.

(b) A copy of the leave sanction order along with Form III shall be enclosed with the bill claiming the advance.

(c) Self drawing officers, shall prefer the claim for advance along with the order sanctioning the leave and the L T.C. for others, on receipt of the order sanctioning the leave and L. T. C. the pay drawing officer shall claim the advance and disburse it to the Government servants concerned.

(d) The advance will have to be refunded forth with if the journey is not commenced within 30 days of the grant of advance.

(e) The travelling allowance claim for adjustment of the advance drawn should be preferred within one month of the completion of the return journey.

(f) The adjustment of the advance will be watched through objection book by the Accounts Officer/Controlling Officer concerned as the case may be.

3. 12 HEAD OF ACCOUNT :

The expenditure on L.T C. or the advance granted in that connection shall be debited to a new sub-detailed head "Travel Concession" under the detailed head "01 Salaries", subordinate to the appropriate final head of account to which the pay etc. of the Government servant concerned is debited.

(Vide G O. Ms. No. 407, Finance (Allowances-I) dated 15th June 1981)

The State Government servants have been permitted to travel by car (own car/borrowed car/omni Bus, Tourist taxi etc.) subject to the condition that the cost of propulsion is met by him/her and the claim restricted to the actual fair i. e., (railway or bus fare) as the case may be to which they are eligible.

(Government letter No. 86455/All-1/82-2 Finance (All-I), dated 14th October 1982)

The State Government Servants who avail Leave Travel Concession should also indicate the register number of vehicle engaged by them in case they travel by road (own car/Borrowed

Car/Omni Bus/Tourist Taxi etc.) the sanctioning authorities may have the bills test checked, wherever necessary.

(Government Letter No. 101350/All-1/83-I, finance (All-I) dated 8th March 1984).

3.13. LEAVE TRAVEL CONCESSION CERTAIN CLARIFICATIONS

1. A Government servant has to avail the minimum of 15 days Earned Leave even if he does not accompany the family and prefers the claim of leave Travel Concession only for the family members.

2. A Government Servant who wants to avail Leave Travel Concession to undertake the journey only after obtaining orders of sanctioning E L.

3. A Government Servant who take leave for 30 days falling, within the two years that is in the December of one block year and the January of the following Block year, eg E. L. from 17th December 1982 to 16th January 1983 is eligible for two fares, i e., one for onward and the other for return journey as two blocks of years are involved ie., 1981-82 and 1983-84. Fifteen days of E.L should fall clearly within each block year.

4. A Journey between two stations shall be calculated with reference to the "Shortest routes", calculated on the "through ticket basis" and the Government's liability is limited upto to Tamil Nadu Territory only.

For example if a Government servant whose head quarters is at Salem wants to enjoy his leave at Calicut he can go to the Calicut via. Ooty or via. Coimbatore Palghat. In the case of journey via. Ooty the Governments liability is more and via. Coimbatore Palghat is less. His claim should be restricted to (1) journey (2) the shortest route i.e., by Coimbatore, Palghat and only upto Tamil Nadu Territory.

5. The claim for the expenses by an Officer who avails of the L. T. C. without drawing the advance should be preferred within one month of the completion of the return journey.

6. A Government servant who wants to avail L. T. C. should apply for clear 15 days of E. L. prefixing and suffixing of holidays will not count for the limit of 15 days' earned leave.
(vide Govt. Letter No. 118982/All-1/82-1, Fin (All-I), dated 1 2-1983).

7. Where both husband and wife are Government Servants, the parents of the husband who are dependent on him are not entitled to avail leave concession if his wife applies for leave travel concession.

8. A Government servant and/or his family may travel entirely by State Transport bus, ordinary express or Super deluxe (except air conditioned bus) even if the places are connected by rail and will be allowed to claim the actual cost.

9. Unmarried women Government servants can avail the Leave Travel Concession and claim the fare for the journey in respect of their dependent parents.

10. The Leave Travel Concession can be availed upto Vivekananda Rock, to pay the ferry charges upto Vivekananda Rock Memorial which is in Kanyakumari district.

11. A Government servant is entitled to make a claim towards Leave Travel Concession in respect of spouse employed in a private concern/Public undertakings of State/Central other Governments, provided the member who is employed in that private concern/Public undertakings of State/Central Governments is not eligible for Leave Travel Concession there. The Government servant who avails Leave Travel Concession should also furnish a certificate as mentioned in item (4) of form II of G. O. Ms. No. 407, Finance (PG) Department, dated 15th June 1981. (Vide Govt. Letter No. 118912/All-I/82-2 Finance (All-I) dated 18th August 1983).

12 A Government servants's son who worked temporarily and was subsequently ousted from service may considered as dependent of the Government servant for the purpose of Leave Travel Concession, subject to the condition that on the date of application for Leave Travel Concession he remains unemployed.

13. FAMILY - ELIGIBILITY DEFINED:

The term 'Family' has to be defined as in Rule 2(iv) of the Tamil Nadu Travelling Allowance Rules. As per Explanation 2 to the said rule the parents residing with and wholly dependent on Government servants have to be treated as family members. As such, the dependent parents of Government servants are included as members of family of Government servants for the purpose of Leave Travel Concession.

Non Eligible For L T. C.	Eligible For L. T. C.
(i) In case, both husband and wife are Government Servants and if the wife applies for L.T C. her father in law or motherin law are not eligible.	(i) (Fully dependent parents of widowed female employees.
(ii Parents of married woman employees	(ii) Fully dependent parents of un-married woman Government Servants.
(iii) An employee's son who is temporarily working in Government.	(iii) An unemployed son is eligible.
(iv) Married/unmarried brother separated from her husband but not divorced	(iv) Fully dependent parents of a diverced woman employee
(v) Married/unmarried brother and sisters of unmarried woman Government servant.	
(vi) Pension receiving parents of the unmarried woman employee	

AUTHORITY.

Government Letter No. 118982/All-1/82-2 Finance dt. 18-8-83.
Government Letter No. 63774/All-1-/84-1 Finance dt. 18-12-84
Government Letter No. 46415/All-1-/83-1 Finance dated : 2-3-84.
Government Letter No 30739/All-1/85-1 Finance dt. 29-10-85.

14. If the spouse of the Government Employee is employed in Railways, Pallavan Transport or similar organisations and if he/she is allowed and availed L. T. C. for his/her family including the employee in State Government Service, the spouse in State Government Service is not eligible for Leave Travel Concession. Also before granting L. T. C. to a Government servant a certificate may be obatined from him/her to the effect the spouse of the Government servant concerned is not eligible for L. T. C. in the Organisation where he/she is working:

15. The unspent portion of the E. L. granted under the L.T.C. in the case of of a Government servant who dies during the period need not be recredited to the account of of the deceased Government Servant But the claim for the onward journey preferred by the legal heir of the deceased Government servant should be admitted.

16. Government Servants who have engaged borrowed conveyance in connection with L.T.C. are not entitled for the reservation charges along with the eligible class of train fare.

17. A Government Employee who has put in one or two years of service and is not eligible for L.T.C. as per rules, cannot be included as one of the Family members of his/her father or mother who is a Government Servant for the purpose of L.T.C.

18. A Government Servant who claims Travelling Allowance for a place chosen by him other than the place to which he was permitted and which costs more than the original trip is not eligible for payment.

19. A Government Servant whose appointment irregular though put in a long service, and in case of a Government Servant whose service are not regularised even though it is not due to his fault are not eligible for Leave Travel Concession.

(Vide Government Letter No. 46415/All-I/83-1 Finance (All-I) dated 2nd March 1984).

FORM I

Certificate to be given by the Controlling Officer.

Certified -

(i) that Thiru/Tmt /Selvi .... is a permanent Government Servant/an approved probationer a contract Officer/a re-employed officer and eligible for the Leave Travel Concession under the rules ;

(ii) that necessary entries as required under paras 15 of the rules has been made in the service Book of Thiru/Tmt./ Selvi.

Signature and designation of
the Controlling Officer.

FORM II

Certificate to be given by a Government Servant.

Certified that the advance for the Leave Travel Concession drawn by me during the previous Block year, has been fully adjusted.

2. Certified that the journey has been actually performed by me/my wife with .... children/ .... children from/to the declared place of visit.

3. Certified that for the railway journey included the Leave Travel Concession bill, myself and members of my family travelled by the .... Class for the claim is made.

4) That my husband/wife is not employed in/that my husband/wife is employed in Government Service and the

Concession has not been availed of by him/her separately for himself/herself or for any of the family members for the concerned block of two years.

Signature of the Government Servant.

FORM III

Particulars Required to be Furnished along with the Application for Earned Leave

1. Name and Basic pay of the Government Servant.

2. Designation and office to which attached.

3. Dates and places of proposed visit (onward and return journeys)

4. Mode of Travel.
   By train .... from To
   By bus .... from To

5. List of Family members availing the concession with names, age and relationship with the Government servant
   (i)
   (ii)
   (iii)
   (iv)
   etc.

6. Cost of Tickets (with break up details). Rs.

Signature of the Government Servant.

T. A. CHART

Grade	Pay Range	Daily Allowance		Flat Rate		Mileage for Journeys other Than Car / Motor Cycle	Mileage for Places Unconnected by Rail / Bus service	Lump Sum Allowance		Personal Effects		No. of Personal Servants
		Madras	Other Places	Madras	Other Places			Above 8km – 60km	Above	Goods Train	Passenger Train	
		Rs.	Rs	Rs.	Rs.	Rs Np	Rs. Np	Rs.	Rs.	kg.	kg.	
I	Rs. 1800 and Above	44	22	10	5	1. 30	1. 50	300	400	4800	200	2
II	Rs. 850–1799	30	15	10	5	0 80	0. 90	225	325	925	75	1
III	Rs. 600-849	20	10	5	3	0 65	0 75	150	200	960	40	—
IV	Upto Rs. 599	16	8	5	3	0. 65	0 75	75	100	960	40	—

Authority : G. O. Ms. No 559 Fin dt. 1/6/85
G O. Ms. No 69 Fin dt 30/1/86

D. A. OUTSIDE THE STATE

(G. O No. 93. Finance dt 8—2—83, G. O. Ms. No 827 Fin. dt 26—9—83, G. O Ms No 559 Fin dt 10—6—85 and Govt Lr. No. 6033/All– /8[illegible]–1 dt. 24 1—86)

Pay Range	Delhi, Bombay and Calcutta			Other State Capitals (Bangalore, Hyderabad, Bhopal, Patna, Chandigarh, etc)			Places other than State Capitals (Mysore Calicut, Nagpur, Poona, etc.) Also to places irrespective of any Status or population & even for Villages			Pondicherry State (Both Boarding and Lodging	For stay in Tamil Nadu House Delhi (Both Boarding and Lodging)
	Stay in Hotal		Stay in Govt Guest House Public or Private Sector, Guest House, Separate & Private arrangements (Both Boarding and Lodging)	Stay in Hotal		Stay in Govt House Public or Joint Sector Guest House, Seperate and Private arrangements (Both Boarding and Lodging)	Stay in Hotal		Stay in Guest House, Public or Joint Sector Guest House, Separate and Private arrangements (Both Boarding and Lodging)		
	Lodging	Boarding		Lodging	Boarding		Lodging	Boarding			
I	300	50	75.00	150	50	60.00	50	25	30 00	22.00	75
I	200	40	50.00	100	40	50.00	30	20	25 00	15 00	50
II	150	30	40.00	75	30	40.00	25	15	20 00	10 00	40
III & IV	75	15	30.00	50	15	30 00	15	10	15 00	8 00	30

N B. : Grade I : Rs. 2900 and above; I : Rs. 1800 to 2899; II : 850 to 1799; III&IV; upto Rs 849

Note : Grade I is divided into two categories for this purpose

CHAPTER - IV

Probation

"Probationer" in service means a member of that service who has not completed his probation.

"Approved probationer" in a service class or category means a member of that service, class or category who has satisfactorily completed his probation and awaits appointment as full member of such service, class or category.

The following periods will count for probation :

(i) Joining time in continuation of leave.

(ii) Holidays and compensatory leave prefixed/suffixed to any kind of leave except C.L.

(iii) Periods spend on training.

(G. O. Ms. No. 610 P & AR dt. 28—6—82)

(iv) Service rendered in foreign service.

(G. O. No. 132 P & AR dt. 4-2-78)

(v) Service in a different service.

(vi) Service in a higher category.

(vii) Temporary service.

(viii) Service on temporary promotion.

(ix) Military duty.

(Rules 23 (b (c) (d) (e) and (f) of Part II of Tamil Nadu State and Sub Ordinate Service Rules)

For the purpose of calculating the period of probation. complete calender months, irrespectively of the number of days in each month, shall first be calculated and then the old number of days calculated subsequently, periods of leave, if any taken during the period of probation shall be excluded while calculating the period of probation.

(G. O. Ms. No 749 P & A. R. (Per. P) Dept dt. 30—7—1986)

Rule 7. Right of probationers and approved probationers to re-appointment :- A vacancy in any service, class or category not being a vacancy which should be filed by direct recruitment under the Special Rules referred to in clause (a) of rule 6 shall not be filled by the appointment of a person who has not yet commenced his probation in such service, class or category when approved probationer or a probationer therein is available for such appointment.

(Rule 7 of T.N. State and Sub-Ordinate Service Rules–Part II)

Rule 8. Discharge and re-appointment of probationers and approved probationers : (a) (i) In case falling under rule 6 probationers and approved probationers who were recruited direct shall not be discharged for want of vacancies other probationers and approved probationers shall be discharged for want of vacancies in the order of juniority.

(ii) In other cases, the probationers and approved probationers shall be discharged for want of vacancies in the order of juniority

(iii) The order of discharge laid down in clauses (i) and (ii) may be departed from in cases where such order would involve excessive expenditure on travelling allowance for exceptional administrative inconvenience.

(b) Approved probationers and probationers who have been discharged for want of vacancies shall be re-appointed as vacancies (not being vacancies which should be filled by direct recruitment under the Special Rules referred to in rule 6) arise, in the inverse of the order laid down in clause (i) or (ii) of sub-rule (a) :

Rule 9 - A Right to be a probationer or an approved probationer in two or more services : A member of a service who has been appointed to another service and is a probationer or an approved probationer in the latter service, shall not be

appointed to any other service for which he may be an approved candidate, unless he relinquishes his right in the latter service.

Provided that such relinquishment shall not be necessary if appointment to the service for which he is an approved candidate shall, according to Special Rules governing that Service be made specifically from either of the two services by the method of 'recruitment by transfer' and he is actually recruited there to by that method.

(Rule 8 of T. N. State and Sub-Ordinate Service Rules Part II)

Rule 15 Special qualification to be acquired or special test to be passed during probation : Exemption :- Where a probationer has before he commenced his probation, already acquired any special qualification or passed any special test prescribed by the Special Rules or has acquired such other qualification as may be considered by the State Government or by the appointing authority with the approval of the State Government to be equivalent to the said special qualification or special test, he shall not be required to acquire such special qualification or to pass such special test again after the commencement of his probation

(Rule 15 of T. N. State and Sub-Ordinate Service Rules Part II)

Rule 23-A, Completion of probation and drawal of arrears of increments :

Where a probationer is to acquire the special qualifications or to pass the special tests during the period of probation. The first increment in case the period of probation is one year and the second increment, in case the period of probation is two years, shall be sanctioned to him only after declaration of satisfactory completion of probation after he acquired such qualifications or passed such tests and arrears of increments shall be allowed from the date of completion of probation. In case where the passing of tests for declaration of satisfactory completion of probation is not necessary. The probationer shall be eligible for sanction of increment irrespective of declaration of

satisfactory completion of probation. The appointing authority shall include provision to the above effect while issuing ordered in all such cases.

(G. O. Ms. No. 246 P & A. R. (Pet. p. Dept. dt 13–3–1985) w. e. f 13-3–1985).

Rule 28. Extension of probation : In the case of any probationer failing under sub-rule (b) of rule 26 or sub-rule (c) of rule 27 the appointing authority may extend his probation to enable him to acquire the special qualifications or pass the prescribed tests, or, as the case may be, to enable the appointing authority to decide whether the probationer is suitable for full membership or not.

The period of probation as extended under sub-rule (a) (ii) of rule 26 or sub-rule (c) of rule 27 or in a case where a probationer is reverted due to want of vacancy during the extended period shall terminate at the latest when the probationer has, after the date of expiry of the period of probation prescribed for the service class or category in which he is on probation, completed one year on duty in such service, class or category. The period of probation as extended under sub-rule (b) of rule 26 shall teminate at the latest when the probationer has, after the date of expiry of the period of probation prescribed for the service, class or category in which he is on probation completed one year of duty in such service class or category.

In cases where the probation of a probationer is extended a condition shall unless there are special reasons to the contrary, be attached to the order of extension of probation that the probationer's increment shall be stopped until he is declared to have satisfactorily completed his probation. Such stoppage of increment shal not treated as a penalty but only as a condition of extension of probation and shall not have the effect of postponing future increments after he has passed the prescribed tests or examination or after he is declared to have satisfactorily completed his probation.

(Rule 28 of T. N. Staff and Subordinate Service Rules)

If the probationer has to pass any test during probation, he shall be sanctioned the first increment only and subsequent increments shall be granted only after passing the test and completion of probation; If no test is prescribed during probation, increment may be sanctioned regularly irrespective of the fact whether probation is completed or not.

(Govt. Lr. No. 52910/A/F.R. 1/79 dt. 23—4—81)

If the probationer is otherwise qualified for completion of probation, necessary orders should be issued immediately and shall not be delayed without any valid reasons.

(Govt. Memo. No. 96371/79-1 P& A.R. dt. 8-1-1980)

The maximum period upto which the probation shall be extended so as to acquire the test quulification is 5 years, failing, the employee appointed by transfer shall be reverted to the lower post and if the employee is appointed by direct recruitement. his probation shall be terminated.

(G. O. No. 1168 P& A.R. dt. 20-11-81)

CHAPTER - V

Joining Time

Time allowed to a Government servant to Join a new post or to travel to or from a station to which be is posted.

F. R. 9(10)

1. Joining time can be granted to enable a Government servant to join a new post in the same station or new station without availing bimself of any leave on relinquishment of charge of old post;

2. To join a new post in a new station on return from leave not exceeding 6 months (including vacation if any;

3. When he has not had sufficient notice joining time can be granted on of his from leave exceeding 6 months.

4. To proceed on transfer while on duty or on the expiry of leave from a specified statics to join a new post in a place in a remote locality which is not easy of access;

5. To proceed on relinquishing charges of a post on transfer in a place in remote locality which is not easily accessible, to a specified station

F. R. 105

6. For training exceeding 3 months joining time can be allowed as on transfer. It should be at particular station. In other cases only the time actually required should be allowed. If stipend or deputation allowance or training allowance is granted no joining time is admissible

Note 1 under F. R. 105

7. Probationers and Approved probationers directly recruited to another post can be allowed joining time and the transit pay to join the new post, but should not be allowed.

T. A. Note 2 under F. R. 105

8. An officer holding one post is in additional charge of another post proceeds on leave and on return from leave transferred to the post held in additional charge, In such cases joining time can be allowed, Ruling 2 under F. R. 105

9. After compulsory wait joining time commences from date of receipt of order. Ruling 5 under F. R. 105

5.21. PERMISSIBLE PERIOD OF JOINING TIME

If there is no change of Office or building no joining time. If there is change of office but no change of residence one day joining time including holiday or Sunday can be allowed.

If there is change of station :- Subject to a maximum of 30 days including Sundays the following period can be allowed. Preparation - 6 days.

Journey—

By railway	— 1 day for every 400 km or part thereof.
By ocean, steam	— 1 day for every 320 km.
By river, steamer or motor launch	— 1 day for every 130 km. or part thereof.
By motor vehicle or horse drawn	— 1 day for every 130 km. or part thereof.
Other means such as Bullock cart, walking cycling etc.	— 1 day for every 25 km. or part thereof.
Air craft	— Actual journey time only.

While so calculating the period, 8 km of road journey to and from railway station at the beginning or and of a journey should not be taken into account. For example - The total journey is 402 km of which 398 is by rail and 4 by road only. For the 398 km by rail joining time should be allowed, this is only one

day can be allowed in this case. Sundays are excluded from the calculations of periods. The travel should be by the shortest route ordinarily travelled. (F. R. 106 and Instructions therein).

Within the maximum of 30 days the Head of department can extend the joining time :

(i) if the Government servant is unable to use the mode of travel or spend more time on the journey - example - ticket not available in train or dislocation of train service ;

(ii) If the Government Servant is unable to use ordinary mode of conveyance

(iii) Extension of joining time is considered necessary in the public interest or to save expenditure.

(Instructions under F. R 106)'

5 2 SUNDAYS & HOLIDAYS :

Sundays shall be excluded in the joining time but are not excluded in the maximum joining time of 30 days. (Instructions 2 (e) unter F. R. 106). Holidays are included in Joining time and shall be calculated as a day for the purpose of joining time.

(Instructions under F. R. 68)

5.3 PAY AND ALLOWANCES DURING JOINING TIME :

(i) A Government servant shall be allowed pay called as 'TRANSIT PAY' during joining time and the pay shall be whichever is less among the pay drawn by the Government servant in the old station and the pay to be drawn in the new station.

(F. R. 107)

(iii) D A shall be granted at the rates drawn by the employee prior to his relief. and increase in D. A. shall also be granted during the transit period. F. T. A. is not allowed. (G. O. Ms. No. 380, Fin. dt. 21-4-80; Govt Memo. No. 81063/ All I/Fin/ 78-3 dt. 13-11-78 and Instruction (3) under F. R. 44).

(iii) Transit pay shall be paid in the new station.

5,4. LEAVE AND JOINING TIME :

(i) During transit period if a Government servant avails leave without M. C. the leave will commence from the date of relief (OR) if the leave is taken on M. C. joining time alredy availed of will stand and M C. leave will commence thereafter.

(Instruction (8) under F. R. 106).

(ii) If a Government servant is transferred after any kind of leave of not more than 6 months, joining time for the old to the new station or from the place where he received orders of transfer to the new station whichever is less is admissible.

(Instruction (9) under F. R. 106).

(iii) If a Government servant is posted to the same station at where he is spending his leave the joining time is only one day.

(Ruling 7 under F. R. 106)

(iv) If part or whole of the joining time coincides with vacation a Government servant may join duty at the end of vacation (Instruction 10 under F. R. 106).

(v) If a transferred Government servant joins in the new station without availing the full or part of joining time the unavialed portion of joining time will be credited to his Earned leave account. however the earned leave at his credit and the unavailed joining time so added should not exceed 180 days. Thus the present facility of availing special casual leave in lieu of joining time is withdrawn w. e. f 21-3-1986.

(G. O. Ms No 633 P & A R. dt. 26-6-86 w. e. f. 21-3-86)

5 5 EXCESS OF JOINING TIME :

If a Goverament servant does not join duty after expiry of joining time.

(i) he shall not be allowed pay or leave salary during joining time.

(ii) T. T. A. shall be reduced by 50% (T. A. Rule 69)

(iii) Overstayal of joining time if not regularised will effect pension, increment etc. etc.

(iv) the excess joining time availed will be treated as wilful absence and liable for disciplinary action (F. R. 108)

CHAPTER IV

Pay Fixation

A person appointed to a post starts on the minimum of the time scale of pay applicable to the post.

2. A person holding a post in an officiating or substantive capacity appointed to another post on officiating or substantive capacity by recruitment by transfer or by promotion his pay in the latter post shall be fixed under F. R. 22 and 22–B as the case may be below.

3. If the latter carries higher duties and responsibilities than that of the former post (a higher scale of pay than the former) the pay shall be fixed under F. R. 25-B.

4. Under F. R. 22-B pay shall be fixed in the higher post at a stage next above the pay arrived at by adding a notional increment in the lower post of the actual pay drawn in the lower post.

ILLUSTRATION I : If a Government servant drawing the pay of pay Rs. 570 in the scale of pay of Rs. 400—15–490—20 650—25—700 is promoted to the post carrying the scale of pay of Rs. 525—25—675 – 30 885—35—925 his pay shall be fixed as follows:-

Pay in the lower post — Rs. 570.

Pay notionally arrived at in the lower post.

(pay + one notional increment) ...Rs. 570 + 29)

Next stage in the higher post — Rs. 600.

Pay shall be fixed at Rs. 600 in the higherpost.

5. If the increase in pay consequent on the fixation is less than 5 per cent of the pay actually drawn in the lower Post the amount by which the benefit falls short of 5 per cent shall be allowed as personal pay to be absorbed in future increment. (G.O.Ms No. 588, P and A.R. (F.R.I.), dated 6th June 1981 and Government letter No.55146/P. and A.R. (F.R. D/81, 3, dated 21st November 1981)

ILLUSTRATION II. — A Government servant drawing a pay of Rs.575/- in the scale of pay of Rs. 350—10—420—12—600 is promoted to the post carrying the scale of pay of Rs. 400—15—490—20—650—25—700, his pay shall be fixed under F.R.22-B as follows :

Pay in the lower post—Rs. 670.
ADD notional increment—Rs. 570 + 15 + 585.
Next stage in the higher post—Rs. 590.
Pay to be fixed under F R 22—B—Rs. 590.
Benefit accrued as per fixation—Rs. 20.
Minimum benefit of 5 per cent with reference to the pay in the lower post comes to Rs. 28.50
The difference is Rs 8.50 i.e., Rs. 9 (rounding to one rupee)
Therefore the pay to be fixed at Rs. 590 + 9 as personal pay.

(Vide Clarification 2 in Government Letter No. 55146/F.R.181-3, P. and A. R. (F. R. I), dated 21st November 1981)

6. 1 FIXATION OF PAY IN POSTS WITH HIGHER RESPONSIBILITIES

1. Government servants promoted/appointed to higher posts involving assumption of higher duties and responsibilities on or after 1st May 1981 shall have option for fixation of their pay either.

2. (a) Under Fundamental Rule 22-B on the date of promotion/appointment, taking into account of the pay in lower post immediately prior to promotion/appointment to the higher post without any further review on accrual of increment in the scale of pay of the lower post.

(b) initially in the manner as indicated in Fundamental Rule 22-(1) (a) (i) or Fundamental Rule 22-B on the date of accrual of next increment in the scale of pay of the lower post.

3. If the pay is fixed as in (b) above, next increment shall be allowed on completion of the required qualifying period of one year with effect from the date of such refixation of pay.

4. Option shall be exercised within one month from the date of promotion/appointment.

5. If the appointment to a post does not involve higher duties and responsibilities, the pay shall be fixed under F. R. 22, i. e., the pay shall be fixed at a stage in the time scale of pay equal to pay, drawn in the previous post. If there is no such stage, the pay shall be fixed at the stage of next below that pay plus the difference allowed as personal pay to be absorbed in in future increments. However if the minimum is higher than the pay last drawn the individual shall be allowed to draw the minimum of the time scale.

(G. O. Ms. No. 1071. P & A. R. (F. R. I.) Department, 1-11-82)

6.2. PAY FIXATION FOR TEMPORARY PROMOTION / APPOINTMENT

1. Pay under F. R. 22-B shall be fixed for temporary promotions/appointments also, if the individual satisfied all the rules relating to regular promotion/appointment to the category into which the appointment is made. In such cases a certificate as in the form prescribed below shall be furnished by the appointing authority :—

(G. O. Ms. NO. 27 Finance dt. 19-11-1985).

CERTIFICATE FOR INITIAL FIXATION OF PAY UNDER F. R. 22-B ON TEMPORARY PROMOTION/APPOINTMENT.

"It is certified that Thiru .... satisfied all the rules relating to regular promotion/appointment to the post of ......— to which he has been temporarily promoted/appointed with effect from —....— f n / a. n."

(Vide Government Letter No. 8119/F. F. I/80-1 P & A. R. (F. R. I.) dated 30th April 1980)

2 The above certificate for initial fixation under F.R. 22B. shall be required to be issued, as far as possible along with the orders of promotion/appointment, so as to avoid undue delay in regulation of the pay of the incumbents.

(Vide Government letter No. 50220/F.R. I/81-1 P. and A.R. (F.R.I) dated 1st July 1981).

3. The fixation of pay under Fundamental Rule 22-B in respect of Government servants, whose minimum of the time scale of pay is Rs 1000 shall be made by the Head of an Office concerned or by the immediate superior officer, who is competent to do so.

4. In respect of Government servants whose minimum of the time scale of pay is Rs 1000 and above the fixation shall be made by the Pay and Accounts Officers/Accountant General as the case may be after obtaining necessary certificates from the appointing authorities relating to qualification to hold that post.

(Government Letter No. 42685/F.R. 1/81-7p. and A.R (F R.I) dated 11th March 1982)

5. The pay fixed under Fundamental Rule 22-B on each occasion of re-promotion after reversion, shall not exceed what the Government servant would have been entitled to, had he continued in the same post without reversion.

[Ruling — under Fundamental Rule 22-B)

6.3 SENIOR GETTING LESSER PAY THAN THE JUNIOR

1. When the senior in the higher post happens to draw lesser pay than the junior, the pay of the senior should be stepped upto a figure equal to the pay fixed for the junior in the higher post. Such stepping up should be done with effect from the date of promotion or the date of sanction of increment of the junior and is subject to the following condtions:- (Ruling 2 under F. R. 22-B)

(i) Both the Junior and Senior should belong to the same cadre and the post to which they have been promoted should be the same.

(ii) Lower and higher post scale of pay should be identical

(iii) The anomaly should be directly due to application of F. R. 22-B only and not due to pay fixation under any other rules

(iv) The next increment of the Senior will be from the date of such equalisation of pay with that of the junior.

(v) The equalisation of pay shall be only ordered by the Govt.

2 (a) The anomoly in pay between the senior and junior can be rectified in the following situations:

(i) Where both belong to the same post and senior draws more pay or equal pay. After pay fixation in the new scale, the junior gets more pay. consequent on earning an increment But the senior gets increment only at a later date

(ii) The junior who opt to come under the revised scale of pay from a date subsequent to 1—10—84 and happens to get more pay than his senior.

(iii) The senior who has been promoted before 30-9-84 saw less pay than the senior Such a junior promoted subsequently to the same post and his pay fixed in the new scale may draw more pay than the senior.

(b) In the above three cases the pay of the senior shall be stepped up to that of the junior from the date on which the junior draws more pay.

(c) Next increment shall after one year from the date on which the pay has been stepped up

(d) The equalisation is not admissible in cases where the senior goes on leave etc, the period to which will not count for increment and where the senior is overlooked for promotion etc.

(e) The anomoly can be rectified by Heads of Dept., and ratification of the Govt., shall be obtained subsequently within one month from the date of fixation of pay.

(G. O. Ms. No. 859 Fin dt 11—9—86 &

G. O. Ms. No 896 P. & A.R. dt. 10-9-86)

6.4. PAY FIXATION IN HIGHER POSTS WITH IDENTICAL SCALE OF PAY

1. In the case of Government servants holding Selection Grade posts appointed/promoted to a higher post carrying identical scale of pay as the Selection Grade of the lower post, the pay shall be fixed, either by working out the notional pay of the Government servant in the ordinary grade of the lower post till regular promotion and then applying F.R. 22-B or continue to draw in the higher post, the pay drawn in the Selection Grade of the lower post at their option.

(G O. Ms. No. 1076, P. and A. R. (F. R. I). dated 23rd October 1981)

In cases where the Special Grade posts and the higher posts carry identical scales of pay, the pay of the Government servants, on REGULAR APPOINTMENT to the higher posts shall be fixed. either by working out the notional pay of the Government Servants in the Selection Grade of the lower posts till regular appointment and than applying Fundamental Rule 22-B or continuing to draw in the higher posts, the pay drawn in the Special Grade of the lower post at their option. The option should be exercised within one month from the date of oppintment to the higher post and the option once exercised shall be final.

(Govt. Letter No. 81102/F.R.1/82-2, dated Ist October 1982)

3. When a Government servant is promoted/appointed to a higher post from Selection Grade of the lower post carrying identical scale of the pay as the ordinary grade of the next higher post, pay shall be fixed either under F.R. 22-B with reference to the national pay in the ordinary grade of the lower post on the date of promotion/appointment to the higher post with the 5% increase of pay with reference to such national pay or at the stage in the ordinary grade of the higher post after adding one national increment to the pay drawn in the Selection Grade scale of the lower post at his option.

The option should be exercised within one month from the date of promotion/appointment, failing which pay/shall be fixed at the stage in the higher post equal to the pay after adding one national increment to the pay drawn in the Selection Grade of the lower post.

In respect of those who were appointed between 1-10-84 and the date of the order, they should exercise the option within 2 months from the date of this order.

(Notional effect 1-10-84; Monetary effect from 1-4-86)
(G. O. Ms. No. 895 P. & A. R. (F R. I) dt. 10-9-86)

6.5 PAY FIXATION ON REVISION OF PAY

1. In the case of revision of the scale of pay of a particular post, the pay shall be fixed under F. R. 23.

In the case of revision of scale of pay on or after Ist September, 1983, without any increase in duties and responsibilities, pay shall be fixed with effect from the date of revision of scale of pay at the same stage, if there is a stage, in the revised scale equal to the pay drawn in the old scale of pay and, if not, at the next higher stage. The next increment in the new scale shall be allowed on the normal date viz, on the date the next increment in the old scale of pay.
(G O Ms No 824, P. & A. R. (F. R. I) Department, dated 1-9-1983)

2. F. R. 27 enables fixation of pay otherwise than in the manner enunciated under F. R. 22 and 22-B. The power to fix the pay of Government servants under F. R. 27 rests with the Government. This power has been delegated to Heads of Departments in the case of rectification anamoly of junior drawing more pay than the senior arose consequent of General revision of the scales of pay.

Fundamental rules 28, 29 and 29-A regulates pay of Government servants who are transferred to lower posts as a measure of penalty.

6.6 FIXATION OF PAY IN THE SELECTION GRADE

A Government servant will be allowed to move to the Selection Grade on completion of 10 years of qualifying service in the ordinary grade. (Vide G. O. Ms. No. 1050, Finance (P. C.) dt. 5th October 1978).

The fixation of pay in the selection grade will be regulated as per ruling 35 under F. R. 22 as detailed below:-

1 At the same stage in the selection grade scale in case where there is corresponding stage for the pay drawn in the ordinary post;

2. At the next higher stage in the Selection grade, if there is no such corresponding stage;

3. At the minimum of time scale of the selection grade post, if it is higher than the pay drawn in the ordinary grade post;

4. Service from the date of last Increment in the ordinary grade post shall be allowed to be counted for increment in the selection grade; and

(G. O. Ms. No 879 P & A R. (F. R. II) dt 5-9-86)

5. Selection Grade/Special Grade can be awarded even to those who relinguish theis rights for promotion either permanently or for a specific period This order will not apply to Special temporary posts under Flexible Complementing Scheme.

(G. O Ms. No 810 P & A. R. (Per-S) Department dt. 5.91986)

6.7 MOVING TO SELECTION GRADE SCALE (TYPISTS)

(a) Typists shall be moved to Selection Grade of 705-1, 230 on completion of ten years in the ordinary grade. If they complete ten years in the S G. scale, they shall be moved to special grade of Rs. 780 - 1385. These orders are effective from 1-10-1978

(b) The conditions such as the individual should be qualified for promotion, etc., are removed. It is enough if they just complete ten years of service.

(c) In computing ten years, all the periods including temporary service shall count. E.O.L. with or without M.C., shall not count.

(G. O. Ms. No. 1016 P. & A.R. dated 15.10 1986)

6.8 SELECTION GRADE - CERTAIN INSTRUCTIONS

i) For advancement to Selection Grade/Special Grades, all employees, who have put in 10/20 years of satisfactory service and who satisfy all the qualifications prescribed under the special Rules/Adhoc Rules prescribed for promotion to the higher post shall be eligible.

ii) All other normal criteria for promotion to a higher post viz. seniority, good or satisfactory record of service the nature of punishment disposed on the employee and the lapses for which the punishments were imposed, the pendency of chargee or disciplinary proceedings or enquiry by Director of Vigilence and Anti-Corruption. Qualifications/tests prescribed under the Special/Adhoc Rules for the higher post etc. should be followed while moving the employees to the Selection/Special Grade.

iii) (a) for the purposes of advancement to selection/special Grades, a panel of all eligible employees, who will be completing ten years / twenty years of service between 1st January to 31st December in a year shall be prepared before the 15th December of the precedings year and got approved by the appointing authority, in and got approved by the appointing authority, in accordance with the guidelines in sub para (i) and (it) above. The actual orders of appointment to Selection/ Special Grade of the employees concerned shall be issued immediately after the date on which the individual completes 10/20 years of service.

(b) If an employee, who at the time of preparation of panel does not possess the qualification required but subsequently acquires the qualification before the actual date of completion of 10/20 years of service, the appointing authority shall hnve the power to include his name in the panel and move him to the Selection/ Special Grade.

(c) Punishments suffered in between the period of approval of panel and advancement to Selection/Special Grade may be taken due note of by the appointing authority before actual issue of orders, moving the persons to the Selection/Special Grades.

iv) A copy of the approved panel of names for advancement to Selection/Special Grade shall be communicated to the emplopees whose names were considered (including those whose names have not been included in the panel) within a month form the date of the approval of the panel. The person whose has not been included shall be entitled to prefer an appeal to the next higher authority within two months from the date of receipt of the panel.

(v) The cases of persons whose names have not been included in the panel, shall be reviewed, while preparing subsequent panels.

(iv) Service rendered in a lower post on other duty should not be taken into account as qualifying service in the higher post for advancement to the Selection/Special. The Service rendered in an equivalent or higher post on other duty alone should be taken into account for advancement to Selection/Special grades, to the extent he would have acted in his orginal post in the parent Department but for his deputation.

(vii) In respect of posts for which the Government are not the appointing authority the required number of

Selection/Special Grade posts can be created land filled up by the appointing authorities themselves keeping in abeyance an equal number of Ordinary/Selection grade posts. They however send details of posts so created to the heads of Department/Secretariat immediately after the posts are so created. In respect of posts for which the Government are the appointing authority, the Head of Department concerned can create the required number of Selection Grade posts and sanction advancement of employees to them. Heads of Department should similarly send the details of posts so created to Government in the administrative Department.

(viii) A senior person in the Ordinary/Selection category will also be appointed to the Selection/Special Category with effect from the date on which his junior is appointed to the Selection/Special Category eventhough the senior might not have actually put in the required 10/20 years of service. However, in respect of cases, where junior moves to Selection Grade due to retrospective regularisation from a date earlier than the date of regularisation of their seniors, the seniors should be appointed to Selection/Special Grades only after they have completed 10 years of service.

(ix) In respect of the cases referred to in item (viii) above the clarifications and guidelines issued in G o. Ms. No. 898 P & A. R dated 23-9-1983. as modified in Government letter No. 13841 / 84-6, P & A. R. dated 2-12-1984 shall be a Scrpulosuly followed.

(x) The period of ten years in a post will be reckoned from the date of regular appointment but will exclude periods of reversion. Leave other than extraordinary Leave without allowances without Medical certificate should be taken into account while completing the 10/20 years period.

(xi) These instructions/guideiines will not apply to categories for which there are no promotion posts. The guidelines now issued will take effect from 10-6-1985 Orders already issned, if any, in respect of cases which have arisen for movement to selection/Special Grades on or after 10-6-1985 should be reviewed in the light of the fresh guidelines now issued.

[G.O.Ms.No. 68 p & A.R. (per.M) Dept]dt 23-1-1986.

6.9. Latest G. O's (One man Committee)

1) The 'personal pay' arising out of fixation of pay under provision to Rule 4 (1) (b) (iii) of Tamilnadu Revised scales of pay Rules 1985 shall be continued without abosorption in future increment till the incumbants vacate the post and also to count such personal pay for fixation of pay at the time of promotion.

Under Rule 7 of the Tamilnadu Revised Scales of pay Rules 1985 the following amendment to the proviso Rule 4 (1) (b) (iii) is introduced. The amendment hereby made shall be deemed to have come into force w e f 1/10/1984.

For the existing provision to the said Rules the following shall be substituted, "provided further that except where the pay is fixed at the minimum of the Revised Scale, if the revised pay exceeds the present emoluments by Rs 150/- and the difference, if any, between the present emoluments plus Rs. 150/- and the revised emoluments so payable shall be allowed as personal pay. This personal pay shall be allowed to continue till the increments vacate the post and also counted for purposes of fixation of pay at the time of promotion as well as for computing the pension".

ILLUSTRATION :

'X' a Deputy Director was drawing a pay of Rs. 1510 in the pre-revised scales of Rs 1000-60-1300-70-650. As per fitment table 25 his pay in the revised Scale of Rs 1800 110-2900 was fixed at Rs 2150+46 P. P. on 1-10-84, His pay is regulated as below

Pay fixed on 1—10—84 2350 + 46 P. P.

Increment on 1—10—84 2460 + 46 P. P.

Increment on 1—10—84 2570 + 46 P. P.

Promoted as Joint Director in the pay scale of Rs. 2150-110-2590-125-3090 on 1—2—86.

Pay as Deputy Director on 1—2—86	2570 + 46 P.P.
Notional increment	110
	2726

Next stage in the Joint Director Scale Rs. 2840.

[G O. Ms. No. 730 Fin (P. C.) dt 14/8/86—Monetary benefit w. e. f. 1—4—86].

2. The employees in all categories of posts in all the departments, in the ordinary grade scales of pay of Rs. 1575—2685 shall be allowed to move on to selection grade in scale of pay of Rs. 1800-2900 on completion of 10 years of service in the ordinary grade posts.

[G O Ms. No. 739 Fin (P. C.) dt. 14/8/86]. Notional effect w. e. f. 1—10—84 ; Monetary benefit w.e.f 1-4—86]

3. The existing rate of Special pay of Rs. 20 p m. allowed to the Rota print operators shall be enhanced to Rs. 25 p. m. [G.O Ms.No. 847 Fin (P. C) dt 10/9/86 w.e.f. 1-9-86]

4. Roneo-operators shall be allowed a Special pay of Rs. 20 p m.

[G O. Ms. No. 849 Fin (P. C.) dt 10/9/86 w. e. f. 1-9-86]

5. Special grade shall be opened for the Record clerks on the scale of pay Rs. 610-1075 and this Special grade shall be allowed to those completing 10 years of service in the selection grade.

[G. O. Ms. No. 851 Fin (P. C.) dt 10-9-86 with immediate effect].

6. Wherever the existing rates of Special pay is less than Rs. 10/- p. m., the special pay of such categories of posts shall be enhanced to Rs. 10/- p. m.

[G. O. Ms. No. 860 Fin (P. C.) dt 11-9-86. w.e.f. 1-9-86].

7. Special grade shall be opened for the Telephone operators on the scale of pay of Rs. 780-1385 and this special grade shall be allowed to those completing 10 years service in the selection grade. [G. O. Ms. No. 1017 Fin (P. C.) dt. 27/10/86].

8. The Special pay of Rs. 35 p. m. shall also be paid to pulavar (Tamil pandits) Headmasters of Middle Schools also.

[Govt. Lr. No. 92513 A/PC-11/86 Fin dt 27/8/86].

9 The Service in the selection grade of the lower post shall be courted for the selection grade in the promoted post provided that the Selection grade scale of the lower post is identical to the higher post. and that the concession be allowed only at the first promotion level. In the case of posts with different grades one who has put in 10 years or more of service in the lower post shall be advanced to the next higher post under the scheme of Flexible complementing scheme and one with a service of 20 years or more be advanced to Selection grade of the higher post.

[G. O. Ms. No. 210 P&A. R. (per. s.) dt 1/13/1987; Notional effect from 1-10-84 ; Monetary benefit w.e.f. 1-4-86].

10. SCHOOL EDUCATION – REVISED SCALES OF PAY

Name of the post.	Existing scale		Revised Scale,	
	Ordinary Grade	Selection Grade	Ordinary Grade	Selection Grade
ADMINISTRATIVE WING Statistical Research Assistant (D. S. E. Office)	1045—1775	1160—1950	1160 –1950	1340 - 2435
TEACHING WING (HIGHER SECONDARY) Agricultural (Engineering) instructor.	1045—1775	1160—1950	1160—1950 (For B.E. Agri. Engg. Degree holders)	1340—2435
			1045—1775 (For Diploma holders)	1160 –1950
Textile (Power — Loom) Instructor.	1015—1775	1160— 950	1160—1950 (For Engineering Degree holders)	1340—2435
			1045—1775 (For Diploma Holders)	1160 –1950
Agricultural Instructor	905—1545	1045—1775	1160—1950 (For B. Sc. (Agri.) Degree Holders)	1340 – 2435
			905—1545	1045 – 1775

Name of the post	Existing - scale		Revised Scale	
	Ordinary Grade	Selection Grade	Ordinary Grade	Selection Grade
Engineering Instructor	905 – 1545	1045 – 1775	1160 – 1950	1340 – 2435
			For Engg. Degree Holders	
			1045—1775	1160 – 1950
			(For Diploma Holders)	
			905—1545	1045 – 1775
			(For Others)	
B T. Teachers (Inducted)	780—1385	1045 – 1775	790—1385	1045 – 1775 (S. G.) 1160—1950 (Special (Grade)
Laboratory Attender	475—775	555 – 970	555—970	610—1075
TEACHING WING (SECONDARY, TRAINING AND ELEMENTARY):				
Music Teacher	505 – 845	555—970 (S. G.) 610—1075 (Spl. Gr)	610—1075 610—1075	705—1230 (S. G.) 780—1385 (Spl. Gr)

Name of the post.	Existing scale		Revised Scale,	
	Ordinary Grade	Selection Grade	Ordinary Grade	Selection Grade
PHYSICAL EDUCATION WING :				
Physical Director (Higher Secondary Schools)	1045—1775	1160—1950 1045—1775 (S. G.)	1160—1950 1160—1950 (For M. P. Ed.	1340—2435 1340—2435 Degree,) 1045—1775 (S G)
Regional Inspector of Physical Education Men/Women	780—1385	1160—1950 (Spl. Gr.)	780—1385	1160 - 1950 (Spl. Gr.) (For others)

2. The Revised Scales of pay ordered above shall the notional effect from 1-10-84 for the purpose of fixation of pay in that scale with monetary benefit from 1-4-86.

[G. O. Ms. No. 738 Fin (P. C.) dt 14/8/86]

CHAPTER VII

Increments

I. GENERAL

1.1. Increments shall be allowed to temporary Government servants, if they satisfy all the rules prescribed for holding that post in regular capacity. (Ruling 13 under F.R. 26 (a).

1.2. In the case of temporary Government Servants appointed on or after 10th November 1982, such temperary Government Servants should pass the tests and acquire the qualification prescribed for regular Government servants to become eligible for sanction of increment.

(G. O. Ms. No. 1067, P & A. R. (F. R. I) dated 10th November, 1982).

1.3. The increments of all Government servants shall be advanced to fall due on the commencement of the quarter concerned i. e, 1st of January, 1st of April, 1st of July and 1st of October of the calendar year. (F. R. 26(a).

2. INCREMENT SERVICE PERIODS

Periods counts for increment	Periods do not count for increment
(i) Joining time F. R. 26 e)	(i) Overstayal of Joining time
(ii) All leave period FR 26(bb)	(ii) Overstayal of leave
(iii) L L. P. with MC.	(iii) L. L. P. without MC EOL without MC
(iv) Service in a higher post wili count for increment in the lower post F. R. 26 c)	(iv) Service in a lower post will not count for increment in the higher post F.R26 (b)
(v) Foreign Service	(v) Suspension period
(vi) Service in a post carrying identical scale	

(vii) Period of training for direct recruitment (G. O. No. 690 P&AR dt. 28-6-82).

3 TEST & INCREMENTS

3.1. The advance increment to Government Servants for passing the ATS - Part I shall be sanctioned by the authority who normally sanctions increment to them and the concerned Government Servants will draw their annual increment on the normal date as usual. (Ruling 10 and 11 under F.R. 27).

3.2. If the ATS - Part I is not prescribed for probation but is required to be passed for continuation in that post or for promotion to a higher post, the advance increment should be allowed from the date following the last day of the test irrespective of whether the test is passed within or after the period of probation. (Ruling (2) under F. R. 31. A).

4. ADVANCE INCREMENT:

ELIGIBLE	NOT ELIGIBLE
(1) Employees acquiring both diploma and Post Graduate course in some subject are eligible for advance increment only once; if different subjects they are eligible for advance increm- subject to the condition that the studies will be used in the service concerned (Govt. Lr. No 80999 A/F R II/84-1 dated 24—9-85).	(1) The temporary employees are not eligible. (2) In respect of employees for whom P. G. qualification is must for Further promotion no advance increment.
(2) Employees who have passed tests prior to a particular post are also to a particular post are also entitled for advance increment. (G.O.Ms.No. 245 P&AR dt. 16-3-85)	(3) In case of P.G. studies such as M.D., M E., with study facilities and expenditure incurred by Government, No advance increment. (Govt. Lr. No 23270/85 -1 P&A R. dt. 6-5-85)

(4) An employee who has availed advance incremens facility in a particular poss, if reverted to the lower post is not eligible for advance increment.
(Govt Lr.No. 8048/FR–II/85-1 dated 15–5–85).

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5. STAGNATION INCREMENT:

5.1. Government servants in the posts for which either Selection/Special Grades or advancement to higher posts have not been provided shall be given one stagnation increment on their completing ten years service in the same post. Such increment shall not be advanced to the first day of the quarter. This benefit will be available only once in the same cadre with cumulative effect. The usual annual increment will be sanctioned on the normal due date.

5.2. Government Servants stagnating in Selection Grade/Special Grade scale beyond ten years shall also be given one stagnation increment on their completing ten years service in the Selection Grade / Special Grade. Such increment shall not be advanced to the first day of the quarter. This benefit will be available only once in the same cadre with cumulative effect. The usual annual increment will be sanctioned on the normal due date :

Provided that, in the case of Government servants, eligible for the above stagnation increment during the period between the Ist October 1978 and the 31st March 1981, the monetary benefit shall be admissible with effect from the Ist April 1981.
(G. O. Ms. No. 890 P & A. R. (F. R. III) dated 10–2–82).

5.3. Stagnation increments beyond the maximum of the timescale of pay at the rate of the increment shall be given annually to all Government servants stagnating in the Ordinary

Grade/Selection Grade/Special Grade the maximum of whose time-scale of pay does not exceed Rs. 3000 per mensem. This facility shall cease when the pay of such Government servants including the stagnation increments, reaches Rs. 3000/- per mensem (G. O. No. 665 Fin. dt. 6—8-86).

5.4. If an employee is not provided with selection grade or advancement facility, stagnation increment shall be sanctioned for completing 10 years in a time scale and is also allowed to those who have crossed the maximum time-scale (G. O. Ms. No. 864 Fin. dated 11—9—1986).

6. TYPISTS & STENO-TYPISTS

6. 1. Typists and Steno-typists appointed in the Tamil Nadu Secretariat Service on or after 6th August 1980 and in the Tamil Nadu Ministerial Service on or after Ist April 1982 shall not be granted any increment, if they do not possess the requisite qualifications in Tamil type-writing/Tamil Shorthand. In their cases service from the date on which they become fully qualified to hold the post of Typist or Steno-typist as the case may be shall count for increment.

6. 2. Typists and Steno-typists appointed in the Secretariat Service prior to 6th August 1980 and in the Tamil Nadu Ministerial Service prior to Ist April 1982 and continuing in service thereafter, but who do not possess the requisite qualification in Tamil Typewriting/Tamil shorthand, are eligible for the first increment. if accrued prior to 6th August 1980 and Ist April 1982 respectively. In their cases, the second or subsequent increments if accrued prior to 6th August 1980 and Isr April 1982 respectively. but not granted for non-passing of the 2 respectively qualification in Typewriting / Tamil shorthand, shall be granted after they become fully qualified but on the due dates Prior to 6th August 1980 and Ist April 1982 with monetary benefit from the date on which they become fully qualified.

6 3 If no increment has been accrued prior to the above dates, but qualified after the above dates the service from the date on which they become fully qualified to hold the post and the period of service rendered prior to 6th August 1980 and 1st April 1982 respectively shall count for increment.

Example:-

Tamil Nadu Ministerial Service:-

Appointed on ... . 5th June 1981

qualified on ... . 7th November 1982

Period counting for increment:

	Y	M	D
5th June 1981 - 31st March 1982	0	9	26
7th November 1982 - 10th Jonuary 1983	0	2	4
	1	0	0

7 STOPPAGE OF INCREMENT WITHOUT CUMULATIVE EFFECT:

If an increment is postponed without cumulative effect the normal date of increment will be extended by the corresponding period.

Consequent on advancement of increment to the 1st day of each quarter the increment to Government Servants, who were on extraordinary leave on loss of pay or on reversion or stoppage of increment without cumulative effect shall be calculated as illustrated below:-

Illustration- I.

	D	M	Y.
Promoted as Assistant on ...	5	8	73
First increment normally due on ...	5	8	74
This may be advanced to 1st July 1974 with reference to G.O.Ms. 1460, Finance, dated 19th November 1973.	1	7	74

	D	M	Y.
Add the period of reversion for 31 days with reference to item (13) of the Clarification issued in Government Memo. No. 171559/FRI/73-3 Finance, dated 29th April 1974.	31	0	0
Date from which the increment should be sanctioned	1	8	74
Date of accrual of subsequent increment	1	7	75

Illustration - II.

Date of promotion ...	29	9	79
Normal date of accrual of increment	29	9	80
This should be advanced to ...	1	7	80
Period not counting for increment (Extraordinary leave without Medical Certificate) ...	10	1	0
Date from which increment should be sanctioned,	11	8	80
Date of accrual of the subsequent increment ...	1	7	81

Illustration - III.

Date of previous increment ...	1	4	80
Normal date of accrual of next increment	1	4	81
Period which do not count for increment	0	2	0
Date from which increment should be sanctioned	0	2	0
Date from which increment should be sanctioned	1	5	81
Date of accrual of the subsequent increment	1	4	82

Illustration - IV.

Date of accrual of last increment	1	1	80
Normal date of next increment	1	1	81
Extraordinary leave without allowance without Medical Certificate or reversion	0	4	0

Date from which increment has to be sanctioned	1	5	81
Date of accrual of subsequent increment as per Fundamental Rule 26(a)	1	4	82

Illustration – V.

Date of accrual last increment	1	4	80
Normal date of next increment	1	4	81
Stoppage of increment without cumulative effect for six months ordered in May 1980	0	6	0
Due date from which increment has to be sanctioned	1	10	81
Normal date of subsequent increment	1	4	82

(Vide Government Letter. No 43226/FRI/81-2 P and A R. (F.R I.) dated 19th August 1981 and Government Lr.No 34121/A/FRI/80-4, P and A.R. (F.R.I.) dated 9th September 1981).

In case of stoppage of Increment imposed with cumulative effect, the benefit of advancing the date of increment to the first of the quarter shall not be admissible and in such cases all future increment shall be given effect to only from the date of actual accrual of increment.
(G.O Ms No.803. P and A.R. (F R.I). dated 13th July 1978),

ADVANCE INCREMENT :

1. Physical Education Teachers, Drawing Masters and wood work Instructors who are on the scales of pay applicable to the Secondary Grade Teachers and working in High / Higher Secondary Schools and in Middle Schools under all types of Managements be granted one advance increment on 1–4–86 in their scales of pay for their training qualification Irrespective of whether they are on ordinary grade or special grade scale of pay. The advance increment sanctioned above shall be in addition to their normal annual increment. In the case of persons entering service after 1–4–86 possessing the requiste qualification their

initial pay shall be fixed by giving one advance increment in the scale of pay of Rs. 610–20 730–25 955 30–1075.

[G O. Ms No. 659 Fin (P. C.) dt 6/9/86]

2. All B. T. / B. Ed. Teachers working in schools under all kinds of Management be granted one advance increment on 1–4–86 as they underwent a "Bachelor's Degree Course in Education" after obtaining general educational qualifications. This benefit shall be admissible to the following categories :-

(i) In Govt. Service, Deputy Inspectors of Schools, School Assistants and AEO'S.

(ii) School Assistants who were inducted for Higher Secondary standards.

(iii) Tamil pandits of High schools who possess a Degree in Tamil and B. T. / B Ed. on appointment.

(iv) Headmasters/Headmistresses of High/Higher Secondary Schools.

(v) P. G. Teachers of Higher Secondary Schools.

(vi) School Assistants who were promoted from the category of Secondary Grade Teacher and who already got two advance increments for B. T. / B. Ed qualification in the Secondary Grade post are also eligible for this increment.

(vii) The advance increment now sanctioned shall be given in addition to their normal annual increment and it may be sanctioned to them irrespective of whether they are on ordinary grade or Selection or Special Grade scale of pay.

(viii) In the case of persons appointed for the first time in Govt service after 1–4–86, their initial pay shall be fixed by giving one advance increment in the admissible scale of pay.

[G. O. Ms. No. 755 Fin (P. C.) dt 19/8/86 w. e. f. 1–4–86]

3. Tamil pandits of High schools, Middle schools who possess a Bachelor's degree in Tamil and B.T. / B Ed. qualification on appointment and are on the scale of Rs. 780–1385 in the ordinary grade are eligible for one advance increment.

[Govt. Lr. No. 112326/PC-11/86-1 dt 25/9/86].

4. All Tamil pandits working in schools under all kinds of managements, be granted one advance increment w e f. 1–4–86 in consideration of their training qualifications. This advance increment shall be given in addition to their normal annual increment irrespective of whether they are on the ordinary / Selection / Special grade of pay

In the case of persons appointed for the first time after 1–4–86 their initial pay shall be fixed by giving one advance increment in the admissible scale of pay.

[G. O. Ms. No. 602 Education dt 13/4/87]

5. Since the posts of Headmasters / Headmistresses of Middle Schools (B. T. / B. Ed. Grade) are filled among only Schools Asst. it is hereby clarified that the H.M's of Middle Schools (B.T. / B.Ed. Grade) are also entitled to the increment as ordered in the G. O. Ms. No. 755 Fin (P. C.) dt 19/8/86.

[Govt. Lr. No. 102481/PC-11/86-1 Fin (P C. 11) dt 2/9/86].

INCENTIVE INCREMENT :

1. The scheme of incentive increments now in vouge shall be allowed to continue subject to the modification stipulated below :

The higher qualification should be with reference to the area of specialisation instead of any subject. For example, P G. degree in political science or public Administration acquired by a Tamil pandit serves no purpose in such cases incentive increments should not be sanctioned.

However, this order does not apply to such cases where incentive increment has already been sanctioned or yet to be sanctioned for qualification acquired prior to the date of issue of this order.

[G. O. Ms. No. 907 P & A. R. (F. R. II) dt 17/9/86 w. e. f. immediate]

2. (i) The P.G. Teachers and H. M.'s of Hr. Sec. Schools who possess or acquire M. Ed. Degree shall be awarded two advance increments in the scales of pay admissible to them.

(ii) The increments now sanctioned shall be granted in addition to their normal annual increments.

(iii) such of the teachers / H. M.'s who have already availed themselves of the incentive increments for M. Ed qualification are not eligible to draw increments now sanctioned in this order.

(iv) This order applies to all Hr. Sec. Schools under all types of management.

[G. O Ms. No. 747 Fin (P.C.) dt 18/8/86 w.e.f. 1—4—85].

CD 720

Chapter VIII

ALLOWANCES

The following allowance are granted to Government employees;

8.1. House Rent Allowance
8.2. House Rent Allowance in lieu of rent free quarters
8.3. City Compensatory Allowance
8.4. Hill Allowance
8.5. Winter Allowance
8.6. Security Compensatory Allowance
8.7. Rural Incentive Allowance
8.8. Washing Allowance
8.9. Supervisory Allowance
8.10. Uniform Allowance
8.11. Risk Allowance
8.12 Post Mortem Allowance

HOUSE RENT ALLOWANCE :

(1) According to the G. O. Ms. No. 772 Fin. dt. 22.8.86 Ramanathapuram and Sivaganga are included in Grade-II place for the purpose of H. R. A.

(2) If any of the stretch of panchayat union falls within a radius of 8 K. M. in case of Madurai, H. R. A., is admissible to the entire area of that Panchayat Union.

(3) Similarly, places around the Grade-II Towns within radius of 8 K. M., even though they are part of a Panchayat Union are also allowed H. R. A. (GOMsNO 772 Fin. dt. 22.8.86)

8.2. HOUSE RENT ALLOWANCE IN LIVE OF RENT-FREE QUARTERS :

1. For the purpose of H. R. A., District Head-Quarters means Salem, Cuddalor, Erode, Dharmapuri, Tanjore, Trichy, Tirunelveli, Vellore, Kancheepuram, Nagekoil, Udagamandalam and Pudukottai.

2. The employees occupying quarters provided by the Govt., are not allowed H. R. A., and rent will be recovered form them as detailed below :

PAY SCALE	Grade I (a) Grade I (b)	Grade II Places	Grade III Places	Other Places
Rs. 610——1399	3%	3%	2%	2%
Rs. 1400——1799	5%	4%	4%	3%
Rs. 1800 and above	8%	8%	8%	6%

(G.O.Ms No. 755 Fin, dt. 6.8 86 w.e.f. 1—4—86)

3. If an employee occupying rent free quarters goes on leave and vacates the quarters, he shall be allowed H. R A. at the rates admissible in that station during that period of leave.

(G. O. Ms No. 490 P & A. R. dt. 23—5—83)

4. During Surrender Leave H. R. A., is allowed to the employees occupying rent free quarters.

(G O. Ms. No 777 Fin. dt. 7—9—83)

5. An employee occupying Government quarters or appartment or Housing Board is transferred in the middle of the academic year will be permitted to stay in the quarters upto the end of the academic year in their children are studying in schools. This concession is also admissible if his brother(s) or sister(s) are studying in the schools.

(G O Rt. No 102, Housing, dt. 11—3—82— and
(Govt. Lr. No. 106, Housing dt. 3—3—84)

8.4. HILL ALLOWANCE

1. The Hill Allowance is granted to those employees who works in declared Hill Stations and shall be 20% of Pay subject to a maximum of Rs. 200 P. M.

(G. O. Ms. No. 560 Fin. dt. 10—6—85)

2. The allowance is granted during the period of E. L. also whether he spends the leave in the hill station or in the plains or retains the family in the hill or nor.

(Govt. Lr. No. 133688/All 11/79-1 Fin. dt. 31—10—72)

3. This allowance is also admissible during the period of E. L on P. A. or U. E. L. on M. C.

(Govt. Memo. No. 24067/All-II/73-2 Fin. dt, 23-3-74)

4. During the period of E. L and U. E. L. not exceeding 180 days hill allowance is granted subject to the condition that the family or the employee continue to reside in the hill sation from where he proceeded on leave.

(Govt. Lr. No. 138365/All-II/74-1 Fin dt. 30-5-75)

1.5. WINTER ALLOWANCE

The employees working in hill stations will be paid Winder Allowance at the rates mentioned below :

1000 to 1499 Metres above mean Sea-Level	5% of basic pay subject to a maximum of Rs. 50/-p m.
1500 Metres and above	10% of basic pay subject to a maximum of Rs. 75/-p m.

(G.O.Ms.No.560 Fin dt. 10.6 85)

8.6. SECURITY COMPENSATORY ALLOWANCE:

The Security Compensatory Allowance for the post which are required to furnish Security in the form of Cash or fidelity guarantee shall be paid as follows:

(1)	For amount less than Rs 500	...... Rs. 5-00
(2)	For amount Rs.500 - Rs.999	......Rs.10-00
(3)	For amount Rs 1000 - 4999	......Rs.15-00
(4)	For amount Rs,5000 and above	......Rs 20-00

(G.O.Ms No.1056 Fin.dt.5,10 78)

8.7. RURAL INCENTIVE ALLOWANCE:

This allowance is given to the employees to encourage their service in Rural Areas. Amount Rs 20/-p.m.

(G.O.Ms.No.688 Fin. td. 3.7.85)

8 8. WASHING ALLOWANCE

Washing Allowance is allowed to basic servants, drivers, etc. shall be Rs. 15/-p m.

(G.O. Ms. No. 848 Fin dt. 10.9.86 w e.f. 1-9-86)

Roneo Operators are also allowed Washing Allowance to wasa approns; the expenditure shall bc met out from the Office Contingencies.

(G.O. Ms No. 848 Fin, dt. 10.9.86)

8 9. SUPERVISORY ALLOWANCE.

The Supervisory Allowance paid to the Assistants in the Ministerial Service are mentioned below:

(i) Rs. 20/- to those Assistants supervising the work of 3 Assistants.

(ii) Rs. 25/- to those Assistant supervising the work of more than 3 Junior Assistants.

(G.O. Ms. No. 867 Fin (p c) dt. 12-9-86 w e.f. 1-9-86)

8 10 UNIFORM ALLOWANCE:

i) Nursing Superintendents and Nursing Supervisors	Rs 200
ii) Nurses	Rs 175
iii) Health Visitors, Maternity Assistants and Auxillary Nurse Midwives	Rs 150
iv) Post Conservator	Rs 125
v) Asst post Conservator	Rs 100

(G O. Ms. No. 560 Fin (p.c.) dt 10-6-85)

8.11. **RISK ALLOWANCE**: Rates of Risk allowance admissible to the staff of T.B. instutions.

a) Medical officer	Rs 50
b) Nursing Superintendent	Rs 20

c) other Staff Rs 15

d) Radiographers and Dark Room Assistant Rs 10
(G.O. Ms. No. 1172 H. &. F. W. dt. 20-5-72 & G.O. M.s. No. 662 Fin (p.c.) dt. 6-8-86)

8.12. **POST MORTEM ALLOWANCE:** The rates payable to the staff engaged in postmortem work are as follows:

	Category	No of persons	Amount per Post mortem
i)	Medical officer	One	Rs. 25/-
ii)	Mortuary Assistant	Two	Rs. 9/-each
iii)	Scientific Asst or Steno Typist	One	Rs. 7/-

(G.O. Ms. No. 657 Fin (p.c.) dt. 6-8-86)

8.1. HOUSE RENT ALLOWANCE

(G. O. No. 557, Finance (PC), dt. 10–6–85).

(a) The rates of H. R. A. admissible are given below :

Pay Range	Madras City and places around the city within 32 k. m from the city limits	Coimbatore, Madurai and places around them with in the 16 k. m. from the city limits	Places in Grade II	Places in Grade III
(2)	(3)	(4)	(5)	(6)
1 — 699 ...	65	50	40	25
700 — 899 ...	95	70	55	35
900 — 1099 ...	125	90	70	45
1100 — 1299 ...	155	110	85	55
1300 — 1499 ...	185	130	100	65
1500 — 1699 ...	215	150	115	75
1700 — 1899 ...	245	170	130	85
1900 — 2099 ...	275	190	145	95
2100 — 2299 ...	305	210	160	105
2300 — 2499 ...	335	230	175	115
2500 — 2699 ...	365	250	190	125
2700 — 2899 ...	395	270	205	125
2900 — 3099 ...	425	290	220	125
3100 — 3299 ...	455	300	225	125
3300 — 3499 ...	485	300	225	125
3500 and above ...	515	300	225	125

8.2. H R. A IN LIEU OF RENT FREE QUARTERS

Pay Range	Madras City and places around the city within 32 k. m from the city limits	Coimbatore, Madurai and places around them within the 16 k m. from the city limits.	All district headquarters,	Grade II (b) places (other than those mentioned in col. (5)	Grade III.
(2)	(3)	(4)	(5)	(6)	(7)
1 — 699 ...	105	90	80	65	50
700 — 899 ...	135	110	95	80	60
900 — 1099 ...	165	130	110	95	70
1100 — 1299 ...	195	150	125	110	80
1300 — 1499 ...	225	170	140	125	90
1500 — 1699 ...	255	190	155	140	100
1700 — 1899 ...	285	210	170	155	110
1900 — 2099 ...	315	230	185	170	120
2100 — 2299 ...	345	250	200	185	130
2300 — 2499 ...	375	270	215	200	140
2500 — 2699 ...	405	290	230	215	150
2700 — 2899 ...	435	310	245	230	150
2900 — 3099 ...	465	330	265	245	150
3100 — 3299 ...	495	340	265	265	150
3300 — 3499 ...	525	340	265	265	150
3500 and above	555	340	265	265	150

8.3. CITY COMPENSATORY ALLOWANCE

(G. O. Ms. No. 558, Fin. (P. C.) dt. 10–6–85).

The rates of C.C.A. admissible are furnished below.

Pay Range	Madras City and areas around Madras within 32 k. m. from city limits	Coimbatore Madurai, Salem and Trichy and areas around them within 16 k. m. from the city limits
1 — 699 ...	40	25
700 — 899 ...	55	35
900 — 1099 ...	70	45
1100 — 1299 ...	85	55
1300 — 1499 ...	100	65
1500 — 1699 ...	115	75
1700 — 1899 ...	130	85
1900 — 2099 ...	145	95
2100 — 2299 ...	160	105
2300 — 2499 ...	175	115
2500 — 2699 ...	190	125
2700 — 2899 ...	205	125
2900 and above ...	295	125

Chapter IX
Definitions

Cadre: means the strength of a service of a part of service sanctioned as separate unit. F. R. 9 (4).

Compensatory allowance: means an allowance granted to meet personal expenditure necessitated by the special circumstances in which duty is performed. It includes Travelling Allowance.
F. R. 9 (5).

Consolidated fund: means the consolidated fund of the State of Tamilnadu as defined in Article 266(i) of the Constitution F. R. 9 (5–A).

Foreign service means in which a Government servant receives substantive or officiating pay with the sanction of Government from any source other than the consolidated fund or the Union or of the State or of the Union Territory. F. R 9 (7)

Honorarium: means a recurring or non-recurring payment granted to a Government servant from the consolidated fund or fund of India or the Consolidated Fund of a State as remuneration for special work of an occasional or intermittent character
F. R. 9 (9).

Joining time: means the time allowed to a Government Servant in which to join a new post or to travel to or from a station to which he is posted. F. R. 9 (10).

Leave on average pay: means leave on leave salary equal to average pay as regulated by Rules 19 and 20. F.R. (11)

Leave salary: means the monthly amount paid by Government to a Government Servant on leave. F. R. 9(12).

Lien: means the title of a Government Servant to hold substantively either immediately or on the termination of a period of periods of absence, a permanent post including a tenure post; to which he has been appointed substantively. F. R. 2 (13)

Local fund: means

(a) revenues administered by bodies which by law or rule having the force of law, come under the control of Government, whether in regard to proceedings generally or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particular posts or enactment of leave, pension or similar rules; and

(b) the revenue of any body which may be specially notified by Government of as such. F.R. 9(14).

Ministerial servant: means a Government Servant of a sub-ordinate Service whose duties are entirely clerical and any other class of servant specially defined as such by general or special order of Government. F.R 9(17).

Month: means a calendar month In calculating a period expressed in terms of months and days, complete calendar months irrespective of the number of days in each, should first be calculated and add number of days calculated subsequently. F.R 9 (18).

Officiate: A Government Servant officiates in a post when he performs the duties of a post on which another person holds a lien. Government may if it thinks fit, appoint a Government Servant to officiate in vacant post on which on other Government Servant holds a lien. F R.(19)

Pay: means the amount drawn monthly by Government Servant as:

(i) the pay other than special pay or pay granted in view of his personal qualification which has been sanctioned of a post held by him substantively or in an officiating capacity or to which he is entitled by reason of his position in a cadre; and

(ii) Special Pay Personal Pay; and

(iii) any other emoluments which may specially classed as pay by Government. F.R 21(a)

Permanent post: means a post carrying a definite rate of pay sanctioned without limit of time.

Personal pay: means additional pay granted to a Government Servant (a) to save him from a loss of substantive pay in respect of a permanent post other than a tenure post due to a revision of pay or to any reduction of such substantive pay other wise than as a disciplinary measure; or

(b) in exceptional circumstances, on other personal considerations.

Presumptive pay of a post- means the pay to which a Government Servant would be entitled if he held the post substantively and were performing its duties; but it does not include Special Pay unless the Government Servant performs or discharges the work or responsibility or is exposed to the unhealthy conditions, in consideration of which the Special pay sanctioned.
F.R.9(24).

Special pay : means an addition of the nature of pay to the emoluments of a post or of a Government Servant, granted in consideration of :-

(a) the specially arduous nature of the duties; or

(b) a specific addition to the work or responsibility or

(c) the unhealthiness of the locality in which the work is performed.
F. R. 9 (25).

Subsistence Grant : means a monthly grant made to a Government Servant who is not in receipt of pay or leave salary.

Substantive Pay : means the pay other than special pay, personal pay or emoluments classed as pay by the Government under F. R. 9 (21) (a) (iii), to which a Government Servant is entitled on account of a post to which he has been appointed substantively or by reasons of his substantive position in a cadre.
F. R. 9 (28).

Temporary Post : means a post carrying a definite rate of pay sanctioned for a limited time.
F. R 9 (30).

Tenure Post : means a permanent post which an individua Government servant may not hold for more than a limited period. F. R. 9 (30-A).

Time-Scale of Pay : means pay which, subject to any conditions prescribed in these rules, rises by periodical increments from a minimum to a maximum. F. R. 9 (31) (a).

Identical Time-Scale : Time-scales are said to be identical if the minimum maximum. the period of increment and the rate of the time-scales are identical.

F. R. 9 (31) (b).

Same Time-Scale : A post is said to be on the same time-scale as another post on a time-scale if the two time-scales are identical and the posts fall within a cadre or a class in a cadre. Such cadre or class having been created in order to fill all posts involving duties of approximately the same character or degree of responsibility, in a service or establishment or group of establishments; so that the pay of the holder of any particular post is determined by his position in the cadre or class and not by the fact that he holds that post. F.R. 9 (31) (c).

Travelling Allowance : Means an allowance granted to a Government Servant to cover the expenses which he incurs in travelling in the interests of public service. It includes allowances granted for maintenance of conveyances. F. R. 9 (32).

CD. 720

TAMIL NADU TREASURY CODE

VOLUME-I

PART I

Section III

Location of moneys standing in the Goverment Acconut.

Rule 3. Save as provided in sub-rule (2) of rule 7 moneys standing in the Government Account must be held either in the treasury or in the Bank. Moneys deposited in the Bank shall be considered as one general fund held in the books of the Bank on behalf of the State.

The deposit of such moneys in the Bank shall be governed by the terms of the agreement made between the Governor and the Bank under section 21 of the Reserve Bank of India Act, 1934 (Act II of 1934).

Section IV

General system of control over treasury

District Treasuries

Rule 4. (1) Unless the Government, after consultation with the Accountant-General, otherwise direct in any special case, there shall be a treasury in every district. If moneys standing in the Government Account are, in any district, not deposited in the Bank, the treasury of that district shall be divided into two department's & department of accounts under the charge of an Assistant Treasury Officer and a cash department under the charge of a Treasurer.

(2) The general administrative control of the Treasuries and Sub-Treasuries shall be vested with the Director of Treasuries and Accounts. The immediate executive control of the District Treasury shall be vested with the Treasury Officer. The Treasury Officer shall be responsible for the proper observance of the procedure prescribed by or under these rules and for the punctua

submission of all returns required from the treasury by the Government, the Accountant-General and the Reserve Bank of India.

The District Collector may call for any paper from the treasuries on matters connected with general administration and report his recommendation to the Director of Treasuries and Accounts.

Subject to the provisions of this rule, the respective responsibilites of the Collector and the Treasury Officer for business of the treasury shall be such as may be defined in accordance with such rules as the Finance Minister may approve, after consultation whth the Accountant General.

(3) The duty of verifying and certifying the monthly cash balance, if any, in the treasury in such manner as the Finance Minister after consultation with the Accountant General may prescribe and of submitting the monthly accounts of such balance in such form and after such verification as the Accountant-General may require, shall be undertaken by the Director/Deputy Director of Tresuries and Accounts or Treasury Officer.

(4) When a new Treasury Officer is appointed to a district, he shall at once report his appointment to the Accountant-General and shall certify to the Accountant-General the amount of the cash balance, if any, which he has taken over. The certificate shall be submitted in such form and after such verification as the Finance Minister may, after consultation with the Acccountant-General, prescribe,

(5) No portion of the responsibility for the proper management and working of treasuries shall devolve upon the officers of the Indian Audit Department. The inspection of treasuries by officers of the Indian Audit Department shall not relieve the Director of Treasuries and Accounts of his responsibilities for management and inspection.

Sub-Treasuries

Rule 5. If the requirements of the public business make necessary the establishments of one or more sub-treasuries under a district treasury, the arrangements for the administration thereof and for the proper conduct of business therein shall be such, as may be prescribed by the Finance Minister after consultation with the Account-General. The accounts of receipts and payments at a sub-treasury must be included monthly in the accounts of the district treasury.

Office of the Pay and Accounts Officer, Madras

Rule 6. The [Office of the Pay and Accounts Officer, Madras may, with the consent of, and subject to such condition as may be prescribed by, the Comptroller and Auditor-General of India, perform all or any prescribed part of the duties of a treasury in respect of claims against the Government that may fall due for disbursement and moneys that may be tendered for credit to the Government Account, at the headquarters of the Government at Madras.

Section V
Payment of moneys into the Government Account

Rule 7. (1) Save as hereinafter pravided in this section, all moneys as defined in Articles 266, 267 or 284 of the Constitution, received by or tendered to Government servants in their official capacity shall, without undue delay, be paid in full into the treasury or into the Bank. Moneys received as aforesaid shall not be appropriated to meet department expendiure, nor otherwise kept apart from Government Account. No Department of Government may require that any moneys received by it on Government Account be kept out of that Account. If any question arises whether moneys received by Government servants in any capacity form part of the Government Account or not, the question will be referred to the Govenment, whose decision shall be final.

(2) Not with standing anything contained in sub-rule (1) of this rule, direct appropriation of departmental receipts for departmental expenditure is authorized in the following cases :—

(a) Moneys received on account of the service of summons, diet money of witnesses and similar purpose in civil, revenue and criminal cases and in the Registration Department, for payment of charges for which the moneys have been received.

(j) Cattle-pound receipts, to meet feeding charges, disbursements of commission to pound-keepers, expenses connected with the sale of cattle and money order commission in accordance with the orders of the Government.

(k) Value of stamps issued to licensed stamp vendors, to pay discount due to them.

Commission paid to agents from the sale proceeds of goods of Govt Dept etc.

Rule 9. A Government servant may not, except with the special permission of the Government, deposit in a Bank moneys with-drawn from the Government Account under the provisions of section VII of these rules.

Rule 10. The procedure to be adopted by Government servants in receiving moneys on account of the revenues of the State, granting receipts for such moneys and paying them into the Government Account, and by the treasury and the Bank in receiving such moneys and granting receipts for them shall be such, as may be prescribed by the Finance Minister after consultation with the Accountant General.

The procedure so prescribed shall, among other matters, contain provision, so as to secure that—

(i) any person paying money into the treasury shall present with it a memorandum (chalan) in such form as may be prescribed which will show clearly the nature of the payment and the person or Government servant on whose account it is made and will thus contain all the information necessary for the preparation of

the receipt to be given in exchange and for the proper accounts classification of the credit and its allocation between Government and department concerned ;

(ii) at places where the money is to be deposited, in the Bank, the memorandum or chalan referred to in clause (i) above, shall except where otherwise provided, be presented at the Bank who shall service the money and grant a receipt.

(iii) if a cheque on a Bank is accepted in payment of Government dues under any rules, unless the Government otherwise direct in any special cases, a receipt for the actual cheque only shall be given, but the formal receipt for payment shall not be delivered untill the cheque has been accepted by the Bank on which it is drawn : and

(iv) at places where the money is to be deposited in the Bank the advices of receipts which, according to any provision made under this rule, have to be sent to public officers or depart ments and consolidated receipts or certificates of receipts, required by any such provision to be given to any public officer or department shall be given by the treasury and not by the Bank except in special cases, with the concurrence in each case of the Bank.

Section VI

Custody of moneys relating to. or standing the Government Account

Rule. (1) The procedure for the safe custody of money in the hands of Government servants, or held in the treasury shall be as prescribed by the Finance Minister after consultation with the Accountant-General.

(2) The Bank is responsible for the safe custody of Government moneys desposited in the Bank.

Section VII

Withdrawal of moneys from the Government Account.

DFFINITION

Rule. 12 In this section "withdrawal" with its cognate expressions refers to the withdrawal of funds from the Government Account for disbursements of, or on behalf of, the State other than disbursements in the Foreign countries.

GENERAL RULE

Rule. 13 Unless the Finance Minister, after consultation with Accountant-General, otherwise directs in any case, moneys may not be withdrawn from the Government Account with the Account-General, otherwise directs in any case, moneys may not be withdrwan from the Government Account without the written permission of the Treasury Officer or of an Officer of the Indian Audit Department authorized in this behalf by the Accountant General.

Power of The Account-General

Rule 14. The Accountant-General may permit withdrawal for any purpose.

Rule 15. (a) Subject as hereinafter provided in this section **a Treasury Office may permit withdrawal for all or any of the following purposes namely:-**

(i) to pay sums dus from the Government to the drawing officer ;

(ii) to provide the drawing officer with funds to meet claims likely to be presented against the Governmeat in the immediate future by-

(1) other Government servants, or

(2) pilvate parties;

(iii) to enable the drawing officer to supply funds to another Government servant from which to meet similar claims;

(iv) to pay direct from the treasury or from the Bank sums due by the Government to a private party;

(v) in the case of an officer or authority empowered to make investment of moneys standing in the Government Account for the purpose of such investment ; and

(vi) to pay sums on account of grants-in-aid, contributions. etc.

(vii) to pay sums on account of loans and advances.

(viii) to pay sums to the drawing officer on account of permanent advance sanctioned to his office.

[Govt Memo No. 3512/Fin (codes-II) 74-6 dt 28-6-74]

Note :- The term grants in aid, contributions etc., include such classes of expenditure as grants to local bodies religions charitable or educational institutions, contributions to public exhibitions and fairs, expenditure from discretionery grants and compensation to Government servants, both gazetted and non-gazetted for accidental losses, etc.

(b) Unless expressly authorized by the Accountant-General, a Treasury Officer shall not permit withdrawal for any purpose not specified in clause (a) of this rule.

Rule 16. Except as provided in rules 26 and 27, a Treasury Officer shall not permit withdrawal for any purpose, unless the claim for withdrawal is presented by such person and in such form, and has been satisfactorily submitted by the Treasury Officer to such checks, as the Finance Minister, after consultation with the Accountant-General, may prescribe. The procedure so prescribed shall, among other matters contain provisions so as to secure –

(i) that any person having a claim against the Government shall present his voucher at the treasury duly receipted and stamped where necessary, and that unless otherwise specially provided no such claim shall be paid unless the claim is first submitted to, and the payment directed by the Treasury Officer.

(ii) that where sub-treasuries are specially permitted by the Government to cash certain classes of bills without reference to the Treasury Officer, the payment of such bills shall not except under special arrangements and on particular occasions, be allowed at the district treasury also, and

(iii) that all bills and vouchers on which payments are made by the Treasury Officer or which are enfaced by him for payment at the bank or a sub-treasury, shall show to what head of account the payment is to be debited, how the amount of the payment is to be allocated between Governments or departments, and what amount, if any, appertains to the revenues of the Union Government.

Special Instructions to Treasury Officers

Rule 17. A Treasury Officer has no general authority to make payments on demands presented at the treasury, his authority being strictly limited to the making of payments authorized by or under these rules. If a demand of any kind is presented at a treasury for a payment which is not authorized by or under these rules, or is not covered by a special order received from the Accountant-General, the Treasury Officer shall decline payment for want of authority A Treasury Officer has no authority to act under an order of the Government sanctioning a payment, unless the order is an express order to him to make the payment, and even such special orders should, in the absence of urgency be sent through the Accountant-General.

Rule 18. A Treasury Officer shall not honour a claim which he considers to be disputable. He shall require the claimant to refer it to the Accountant-General.

Rule 19. Except as provided by rules 20 and 21, a payment shall, unless the Government by general or special order otherwise direct, be made in the district in which the claim arises.

Rule 20. The leave salary or subsistence allowance of a gazetted Government servant who drawn his leave salary

or subsistence allowance in India may be paid in any district of the State. The leave salary or subsistence allowance of a non-gazetted Government servant may be paid in that district in which his pay would be drawn if he were on duty.

Rule 21 Pensions payable in India may be paid in any district of the State.

Rule 22 No withdrawal shall be permitted in order to meet the pay, leave salary or allowances of a gazetted Government servant, or a reward or payable to a gazetted Government servant or any pension, until the Accountant-General has imtimated to the Treasury Officer the rate at which payment shall be made; provided that the Government may, for special reasons and with the conscurrence of the Accountant-General, waive the provisions of this rule.

Rule 23. No withdrawal shall be permitted on a claim for the first of any series of payments in a district of pay or allowances to a Government servant, other than a person newly appointed to Government service, unless the claim is supported by a last pay certificate in such form as may be prescribed by the Comptroller and Auditor-General of India. A Treasury Officer may not permit any withdrawal in respect of pay or allowances of a Government servant to whom he has granted, a last pay certificate, unless the certificate is first surrendered.

Rule 24. The Treasury Officer shall be responsible to the Accountant-General for acceptance of the validity of a claim against which he has permitted withdrawal and for evidence that the payee has actually received the sum withdrawn.

Rule 25. The Treasury Officer shall obtain sufficient information as to the nature of every payment he is making and shall not accept a voucher which does not formally present that information unless there are valid reasons, which he shall record in writing, for omitting to require it.

Rule 26. A Treasury Officer may correct arithmetical inaccuracy or an obvious mistake in any bill presented to him for payment, but shall intimate to the drawing officer any correction which he makes.

Payments under Special Authorization of the Collector

Rule 27 A Collector may in circumstances of urgency, by an order in writing authorize and require a Treasury Officer to make a payment not being a payment of pension, without complying with the provisions of these rules. In any such case, the Collector shall at once forward a copy of his order and a statement of the circumstances requiring it and the Treasury Officer shall at once report the payment, to the Accountant-General.

Note 1 :- The need for exercising the special power under this rule should not case at all in normal conditions. The power should be exercised only in real cases of urgency, e. g, floods, earthquake and the like and withdrawals of money under this rule, should, as far as possible exclude all personal claims of Government servants.

Note 2 : The collector should show sufficient justification for their recourse to this rule. A limit of Rs. 2,50,000 is fixed for the drawal of amount to this rule for meeting the emergency purposes such as natural calamities.

[Govt. Memo. No. 5074 Fin / codes II / 74-4 dt. 31-5-74]

Instructions to Drawing Officers

Rule 28. A Government servant who is anthorized to draw moneys by means of cheques shall notify to the bank or the treasury upon which he draws the number of each cheque book brought into use and the number of cheques it contains.

Rule 29. When a Government servant who is authorized to draw of countersign cheques or bills payable at the treasury or the bank makes over charge of his office to another, he shall

send a specimen of the relieving Government servant's signature to the Treasury Officer or the Bank, as the case may be.

Sections VIII

Transfer of moneys standing in the Government Account

Rule 30. The transfer of Government moneys from one treasury to another, and between the currnency chest balance and treasury balance of a treasury and between a treasury and the Bank shall be governed by such instructions as may be issued in this behalf by the Finance Minister after consultation with the Reserve Bank of India. The transfer of moneys from or to a Small Coin Depot to or from a treasury under the control of the Government of the State shall be governed by instructions issued by the President in this behalf.

Section IX

Responsibility for moneys withdrawn Treasury Officer

Rule 1. If a Treasury Officer receives intimation from the Accountant General that moneys have been incorrectly withdrawn and that certain sum should be recovered from a drawing officer. He shall effcet the recovery without delay and without regard to any correspondence undertaken or contemplated with reference to the retrenchment order; and the drawing officer shall without delay repay the sum in such manner as the Accountant-General may direct.

If a Treasuary Officer receives a retrenchment slip from the Examiner of Local Fund Accounts that a certain sum should be recovered from a local body towards the overdrawal of grant in-aid, he shall effect the recovery from the non-statutory grant payable to the local body specified in the retrenchment silp without regard to any correspondence undertaken or contemplated with reference to the retrenchment order.

Drawing officers

Rule 32. (a) subject as hereinafter provided in this rule, the procedure to be observed by a Govenment servant in regard to moneys with-drawn from the Government Account for expenditure shall be such as may be prescribed by the Finance Minister after consultation with the Accountant-General.

(b) A Government servant supplied with funds for expenditure shall be responsible for such, funds until an account of them had been rendered to the satisfaction of the Accountant-General. He shall also be responsible for seeing that payments are made to persons entitled to receive them.

(c) If any doubt arises as to the identity of the Government servant by whom an account of such funds shall be rendered shall it be decided by the Government.

Section X – Inter-Government Transactions

Rule 33. (1) Save as provided therein after in this section, no transactions of the State with another Government shall be adjusted agains the balance of the State except in accordance with such directions as may be given by the Comptroller and Auditor-General of India with the approval of the President to regulate the procedure for the accounting of transactions between different Governments.

(2) Moneys presented within the jurisdiction of another Government for credit to the Government Account or on payment made by another Government as a withdrawal affecting the balance of the Goverment Account shall not be credited or debited to the Government Account except under express authority of the Accountant-General of the receiving or the paying Government concerned or any other Accounting Officer authorized in this behalf by the Comptroller and Auditor-General of India.

(3) All adjustments aginsts the balance of the State by debit or credit to another Government shall be made through the Central Accounts Section of the Reserve Bank of India.

Rule 34. Where such a course is authorized in consequence of a delegation of functions made Article 258 (1) of the Constitution, the Treasury Officer may receive or authorize the Bank to receive moneys tendered on behalf of the Union Government, and may make or authorize the Bank to make disbursements on behalf of the Union Government in accordance with such procedure as may be specified in the rules made by or under the authority of the President. Such receipts and disbursements on behalf of the Union Government shall be adjusted, as far as practicable directly against the balance of the Union Government held by the Bank, but where such transactions are temporarily taken into account against the balance of the Government Account, the Accountant General will, on receipt of intimation from the treasury, make the requisite adjustments in respect of the aforesaid transactions through the Central Accounts Section of the Reserve Bank of India, against the balance in the Government Account of the Union Government held by the Bank.

Rule 35. The Treasury Officer may, subject to any general or specific direction of the Government in this behalf, receive or authorize the Bank to receive moneys tendered on behalf, of another State and may, if so required by the Accountant-General, make or authorize payment of any claim against another State. The necessary credits or debits in respect of such receipts and payments against the balances of the State concerned shall be made by the Accountant-General tough the Central Accounts Section of the Resever Bank of India, but until such adjustments are made, the credits and debits shall be entered in the Government Account.

Book entries made in the Office of the Accountant-General affecting the accounts of another State shall, likewise, be adjusted by the Accountant-General through the Central Accounts Section of the Reserve Bank of India against the balances of the State concerned.

Rule 36. The provisions of rule 35 may be extended with or without modifications to payments made or received in the State on behalf of the Railways administered by the Government.

Note :- The transactions relating to Railways administered by the Government are accounted for in the books of the Bank direct and they do not pass through the accounts of the Treasury in place where the cash business of the Treaury is conducted by the Bank.

Section XII

Supplemental

Rule 38. The Accountant-General in the exercise of any of his functions under these rules shall be subject to the general control of the Comptroller and Auditor-General of India.

Rule 39. Nothing in these rules and nothing prescribed under these rules, shall have effect so as to impede or prejudice the exercise by the Comptroller and Auditor-General of India of the powers vested in him by or under the Constitution to make rules, or to give directions regulating the submission to the Indian Audit Department of the accounts kept in treasuries or in departmental offeces and to be accumpanied by such vouchers for their support as the Comptroiler and Auditor- General may require for purposes of audit.

Rule 40. The Finance Minister may not exercise any power conferred upon him by these rules so as to impose upon the Bank in connection with the business of the Government any responsibility not imposed upon the Bank by the terms of its agreement with the Governor.

41. All references in these rules to the Finance Minister shall, during the period any proclamation issued under Article 356 of the Constitution is in operation, be construed as reference to the President of India.

PART-II

Chapter-III

Payment of Moneys into the Governmnt Account Instructions under Treasury Rule 7 (2).

Appropriation of Departmental Receipts for Departmental Expenditure.

1. The following items are included within the scope of clause (a) of Treasury Rule 7 (2) :–

(1) Moneys received in civil courts on account of –

(i) Commissioners' fees ;

(ii) fees for copying maps, plans and genealogical trees ;

(iii) judgement – debtors' subsistence money ;

(iv) petty items such as money – order commission for the transmission of Commissioner's fees, tom-tom charges, charges for the conveyance of attached property, charges for feeding attached cattle, postage and other charges for calling for records for reference, and for the transmission of decrees to other courts for execution ; and

(v) other similar items ordered by the High Court.

2. In all cases where appropriation of departmental receipts for dedartmental expenditure has been permitted, the gross receipts and payments should be included in the account of the payments into and the withdrawals from the Government Account. For this purpose, each chalan accompanying a remittance of net receipts under any of the items specified in this rule should indicate the gross receipts and the payments made therefrom; if no remittance is made, a periodicals tatemenst showing the gross receipts and the payments made therefrom should be furnished to the treasury at such times as may be prescribed by the proper authority in each case.

3. The following procedure should be observed when village collections are appropriated for paying allowances to temples, etc, with reference to clause (h) of Treasury Rule 7 (2):-

(i) Each remittance list from the village officer should be accompanied by an abstract statement of payments made out of those collections supported by the payees, acquittances and by a certificate that the recipients of the allowance performed continuous and satisfactory service during the period for which payment has been made.

(ii) On receipt of each village remittance list, the taluk office should enter the necessary credits and debits in the accounts and make a note in the taluk register No. 10. The taluk office should then prepare a consolidated abstract statement for each day in respect of all payments made in the taluk present it with the payees' acquittances at the Sub-Treasury for adjustment in the treasury accounts.

(iii) The abstract statement should be treated as a voucher for purposes of audit and included in the list of payments to be sent by the district treasury to the Accountant-General, the payees' acquittances for the entire amount of the bill being filed in the treasury after cancellation.

Receipts of moneys by Government servants (otherwise than at a Treasury) Subsidiary Rules under Treasury Rule 10 Applicable to Departments Generally

S. R. I. (a) A Government servant who receives any moneys on behalf of the Government shall receive them only in one or more of the following forms :-

(i) Legal tender coin.

(ii) Legal tender currency or Bank notes.

(iii) Reserve Bank Drafts drawn on the treasury with which the Government servant deals and made payable to him.

(iv) Crossed cheques drawn on a Madras bank which is a member of the Clearing House in Madras City (see Appendix 8) or a branch of such a bank situated in Madras City or any other bank situated in George town (Madras) or a bank in any other place in India where there is a branch or Pay Office of the State Bank of India (see Appendix 5) and made payable to the Government servant concerned provided that he is stationed Madras City on ordinarily deals with a district treasury or district head quarters sub-treasury which transacts its cash business through the bank.

If, in any case, a Government servant receives a cheque on Government account made out in his favour and uncrossed he should immediately cross it and endorse it in accordance with subsidiary rule 9.

NOTE — For payment of Government dues, cheques written in regional languages may also be accepted, if the drawer of the cheque is unable to have it written in English.

(v) Cheques, pay orders, demand drafts and deposit at call receipts issued on apex co-perative Banks including the Central Banks in this State which according to the latest available classifcation have been graded as 'A' and 'B' be by the Registrar of Co-operative Societies be accepted by Government departments in payment of sums due to those departments. Government departments which accept the cheques, etc, issued on the Co-operative Banks in category 'A' or 'B' should obtain from an officer of Gazetted rank in the Co-operative Department a certificate to the effect that the Co-operative apex or Central Bank in question has been classified as 'A' or 'B'

Exception:- 1 :— Government, servant who is not covered by the provise to the above clause may simlary receive such cheques if the Government have specially authorised him to do so.

Exception 2. Cheques shall not be accepted in payment of ones, compensation amounts, etc., payable in criminal courts.

Such payments shall be received only in legal tender coin, currency notes or Bank notes.

S. R. 2. (a) A Government servant who receives any money on behalf of the Government shall give the payer a receipt, in Form 102, unless in any case the Government have, by a general or special order, dispensed with the grant of receipt.

No receipts need be given for—

(i) payments made by fish-ourers for sait bought form Government fish-curing yards.

(ii) payments made on account of fines, fees. etc. levied by the Metropolitan Magistrates Courts in Madras City in night cases, when the payer does not demand a receipt, or

(iii) payments made for sandalwood sold in amount weighing one pound or less at fairs and festivals, when the purchase does not demand a receipt.

(iv) payments made for career pamphlets purchased from the Employment Officers.

(v) payments made for the purchase in person in the office of the Registor of Firms, of the various printed form prescribed in the Tamil Nadu Partnership (Registration of Firms) Rules, 1982.

(vi) it is not necessary to issue a receipt to a payer in the case of sale of Savings Boxes in the Small Savings Department.

(vii) payments made by parties to the officers of Transport Department by Money order towards payment of permit fees and tax in respect of motor vehicles.

(b) When a cheque is received, a preliminary acknowledgment in Form 4 shall be given for the cheque only. A final receipt for the payment on the original chalan [see subsidiary rule 10 (e)] shall be sent to the payer after the amount has been realized. If the cheque is not honoured on presentation, the fact

shall be intimated to the person from whom the cheque was received and payment in cash shall be demanded. The Government accept no responsibility for any loss or damage to the payer on account of delay in giving intimation that a cheque has not been honoured.

Note :— When a cheque is not honoured on presentation. he accompanying chalan should not be returned by the receiving bank but should be retained and destroyed in due course. Only the dishonoured cheque should be returned to the presenter and the preliminary acknowledgment of the receipt of the cheque or the paper token should be got back from him.

(c) All receipts should be written in figures and in words in the original and such other copies as are required to be given to the tenderer of money, of chalans in the forms prescribed in clause (c) of Subsidiary Rule 10 below and signed in full over the "cash received/Received Payment Stamp" Other copies may however be written in figures only and initialled over the "cash received Received Payment Stamp".

S. R. 3. (a) Moneys received by a Government servant of behalf of the Government (with the exception of moneys with drawn from treasuries on bills for pay, contingencies, etc, which are accounted for and watched in other ways) shall be immediately brought to account in a cash book in Form 5 or in the appropriate form prescribed for the purpose in the Tamil Nadu Account Code or a departmental code or manual. Before a Government servant signs a receipt, he shall see that the receipt of the moneyhas been duly recorded in his cash book and, in token of this check, he shall initial and date the relevant entry in the cash book.

Exception 1. When the Government servant who should sign a receipt is in camp and his cash book is at his headquarters. the may sign the receipt without first checking the entry in the cash book, but he shall compare the counterfoil of the receipt book with the entry in the cash book on the next occasion when

he sees the cash book or when he returns to headquarters which ever is earlier, and shall then write his initails with the date against the entry in the cash book in the usual manner after satisfying himself that it is correct.

REMITTANCE SLIP :

(b) When a Government servant who does not maintain a cash book is authorized to receive any money on behalf of the Government, either generally or in exceptional circumstances he shall, on receipt of any such money, grant a temporary receipt to the payer, and then remit the money into the treasury with a chalan in duplicare and send the receipted chalan with full particulars to his next superior officer who maintains a cash book, by when there is no treasury in or near his headquarters, remit the money to the same superior officer **with a remittance slip.** The officer who maintains the cash book shall, on receipt of the chalan or the money and the remittance slip, enter the amount in the cash book and send a final receipt to the subordinate who received the money in the first instance for delivery to the payer.

S.R. 4. Except when he remits the money to a superior authority under subsidiary rule 3 (b). a, Government servant who receives any money in the form of coin and notes on behalf of the Government shall remit it into the treasury with which he normally deals (or the nearest treasury or collecting depots into which the money can be remitted under the rules) as soon as possible or, if a superior authority has permitted him to make remittances at periodical intervals or when the balance in hand reaches a certain amount, in accordance with those instructions. A Government servant who receives a cheque (including a Bank Draft) on behalf of the Government shall remit it as soon as possible into the treasury with which he normally deals.

As soon as the Treasury (or Sub-Treasury) Officer's or the Bank's receipt on the chalan or pass book is received by the Government servant who remitted the money, he shall compaer

it with the entry in the cash book and attest the entry in token of having satisfied himself that the amount has been actually credited into the treasury or the Bank.

Execption :- A Government servant who receives a cheque only under special powers granted by the Government under Expcetion I below item iv) in subsidiary rule (a), shall send it to his departmental superior at the district headquarters for payment into the district treasury or if the Government so order in any case, direct to the Treasury Officer of the district for credit to the Government.

Applicable to Departments Generally

S.R. 6. No Government servant may issue a duplicate or copy of a receipt granted for money received by him on the allegation that the original receipt has been lost or is not available. A certificate may, when necessary, be given that on a specified day a certain sum was received on certain account from a certain person, and a fee of two rupees shall be levied for every such certificate issued to a private party. This prohibition extends only to the issue of a duplicate on the allegation that the original has been lost, and does not apply to cases authorized by these rules or by special orders of the Government in which duplicates may be prepared and tendered with the originals.

Note :- Private party include all person, firm and autonmous bodies which are commercial in nature and excludes Goverment departments, Local Bodies like Corporations. Municipalities, Panchayat Union, Townships, Town Panchayats, Panchayats and other autonomous bodies like. Local Library Authority University Wakf Board which are not commerical in nature.

[Govt. Memo. No. 128 249/Fin codes 11/73-5 dt 26/8/74]

Note 2 : Certificate of credit shall be issued once only or remittance made by T.N. Wakf Board without collecting the required fee of Rs. 2 subject to the condition that the certificate

shall be issued only on the production of a Certificate to the effect that the Original chalan has been lost.

[Govt. memo. No. 110966/Fin codes II/73-2 dt 9/1/74]

S R. 7. (c) When a Government servant is permitted to handle any money in his official capacity without including it in the Government account, he shall take care to see that such money is kept separate and not mixed up with moneys forming part of the revenues of the State and he shall account for it separately.

The deductions made from salaries towards cumulative Time Deposit, Life Insurance Corporation premia, co-operative societies dues etc., shall be entered in a separate subsidiary cash book as receipt and their remittances to the concerned offices shown as disbursements. The cash balance in the subsidiary cash book shall not be included in the daily cash balance of the cash book relating to Government transactions.

The balance as per the subsidiary cash book shall be verified independently and the certificate of verification records in the subsidiary cash book itself daily. This cash balance shall be put in a separate cover and deposited in the cash chest.

[Govt. Memo No. 173054/Fin/codes/75-10 dt. 29—3—78]

S.R. 7. (d) A Government servant shall not place any private money in a cash chest used for keeping money received in his official capacity.

Instructious under Treasury Rule 10.

3—B. When a Goverment servant, who receives money on behalf of the Government, sends it to the treasury or the Bank through a clerk or other authorized preson, he should record in a cash remittance book the particulars of the remittance and the person entrusted with it and obtain the acknowledgment of the persons concerned in that book. The clerk or other authorized person shall remit the money into the treasury or the Bank without delay. The Government servant, who arranged for the remittance, should keep a watch for the treasury or Bank

receipt no the chalan and, when received, shall compare it with the entry in the cash remittance book and attest the entry in taken of having satisfied himself that the amount has been actually credited into the treasury or the Bank. While a.testing the entry in the cash remittance book, he should also note in the book the number and date of the chalan received.

Chalans

S.R. 10 (a) The chalan which accompenies a paymeat of money into the treasury or the Bank shall contain full information as to—

(1) the nature of the payment,

(2) the amount paid,

(3) the Government servant or other person on whose account the payments is made,

(4) the head of account to which the amount should be credited, and

(5) the allocation of the amount between Governments and departments, if any such allocation has to be made.

(b) When a payment to the Government is to be credited credited partly to one haed of account and partly to another, certificate chalan shall ordinarily be presented for the amount to credited to each head. If however, two or more credits relating to the same transaction are so closely connected that it would be inconvenient to use separate chalans for them, they shall be entered on the same chalan.

(c) The chalan shall be prepared in Form 9, Form 98 Form 10 or in such other form as may be prescribed under these rules or in a departmental manual or code. These forms, except Form 9, shall be printed in both English and Tamil. Form 9 shall be printed in English only, except the instructions on its reverse which will be printed both in English and Tamil.

(d) When a payment is made partly in cash and partly by cheque, the amounts paid in cash and by cheque, respectively shall not be included on the same chalan.

(e) (i) Private parties making payment in Madras City should remit cash in Triplicate chalan which should first be presented at the office of the departmental officer who is concerned with the item of credit for scrutiny and for affixing his intials and rubber stamp indicating on each of them as original, duplicate and triplicate, and then taken to the Reserve Bank of India where the original will be receipted and returned to the party and the other two copies (duplicate and triplicate) sent to the Pay and Accounts Officer, Madras along with the credit scrolls of the Bank. The Pay and Accounts Officer will hand over the triplicate copies of the chalans to the departmental officers concerned with a covering list once a week by post. When messengers of the departmental officers claim them in person the triplicate copies of chalans will be handed over to them more frequently. The duplicate copies will be retained by the Pay and Accounts Officer for record. Remittances by departmental officers in the city at the Reserve Bank of India, Madras should be accompanied by duplicate chalans only subject to exceptions in Subsidiary Rule 10 (g) (i).

(ii) Private parties making payments in mofussil treasuries should remit cash accompanied by triplicate chalans. The triplicate copies of the chalans should be sent by the treasuries to the departmental officers concerned with a covering letter stating the number of and date of chalans and if possible the names of tenderers. The departmental officers, making payment in mufussal tresuries should also remit in triplicate chalans.

(f) A single chalan shall be presented with any money tendered for payment into the treasury or the Bank on account of State excise revenues or payment for a Reserve Bank draft or cash order on a sub-treasury, and with any money tendered for payment into the treasury or the bank along with a pass book or a remittance book in which the Treasury Officer or the Bank is required to acknowledge the receipt of the moneys. From 11

shall be used for payments on account of State excise revenues in the remaining cases, Form 9 or Form 10, as the case may be, shall be used when necessary.

(g) (i) All remittances made by Departmental Offices/ private parties, in the city, on account of Inter-State Suspense Accounts and Exchange Accounts relating to other State Governments, shall be accompanied by triplicate chalans. The bank shall retain the triplicate copy of chalan and return it, along with the Schedule of Receipts accompanying the daily scrolls, to the Pay and Accounts Officer, who in turn, will forward it to the Accountant-General, Madras.

S. R. 14. **Village remittances** : The money shall be sent in sealed bags together with a village remittance list which is an extract of village Account No. 13 and a chalan in Tamil Nadu Treasury Code Form 9. After the remittance list and chalan have been checked, the taluk office shall retain the remittance list and pass the chalan to Sub-Treasury for remittance. The Shroff shall take the bags, break the seals in the presence of the village official or messenger who brought the remittance and count and test the money If the amount is found to be correct, the Sub-Treasury Officer shall certify to that effect at the foot of the chalan and return the original copy of the chalan to the person who brought the remittance If any counterfeit or uncurrent note or coin or any deficiency is found, the Shroff shall at once bring the fact to the notice of the Sub-Treasury Officer, who shall, if satisfied that the note or coin is counterfeit or uncurrent or that there is a deficiency, examine the village official or messenger who brought the remittance and record the fact on the chalan.

S.R. 15. **Amanaths** :- All moneys paid into the Government account at a treasury shall be credided immidiately on receipt under the appropriate heads of accounts in the Government accounts and shall form part of the general treasury balances. As a general rule, no sums of money shall be kept in a

treasury strong-room unless they have been paid into the Government account and form part of the general treasury balance but the following items shall be treated as exceptions to this rule and dealt with in accordance with the special instructions which apply to them :

(a) a village remitance which is received when the treasury is not open for transactions :

(b) a treasury or currency remittance which is received when the treasury is not open for transactions :

(c) other money sent by a Government servant from a distance for payment into the treasury (or paid in respect of postal money orders) which is received when the treasury is not open for transactions ;

(d) money contained in the case chests, etc, deposited by other offices for safe custody (see instructions 19-22 under Treasury Rule 11) ; and

(e) the balances of the permanent advance and imprests, and undisbursed balances of amounts drawn the treasury or otherwise received for disbursement (see subsidiary rules 4 and 5 under Treasury Rule 32).

The monegs described under items (a) to (c) above shall be placed in the strong-room on the day when they are received and brought to account immediately when the treasury open on the next working day. The excess over the prescribed limit of single lock balance representing the amanath amount referred to under item (e) above should be lodged in a separate receptacle along with the main store kept under Double Lock Custodye. The Treasurer at a district treasury, and the Shroff at a sub-treasury shall maintain an Amanath Balance Register in Form 16 for recording these amanath transactions and a separate column shall be provided for each class of items concerned. The opening balance, the totals of the daily receipts and the daily disbursements

respectively and the cosing balance shall be entered in each column. The Treasury Officer at a district treasury and Sub-Treasury officer, at a sub-Treasury shall check this register every evening verify the various closing balances with the actual cash, bags of coin and cash chests, etc, in the strong room and initial the register in token of the correctness of the entries. The excess over the prescribed limit of single look balance respresening the amanath amount refered to under item (e) above should be lodged in spearate receptacle along with main store kept under Double Lock Custody.

(f) The money collected by deductions made from salaries of Government servants towards cumulative time deposit, L.I.C. permia and co-op dues.

[Govt. Memo. No. 80806/Fin/codes II/74-2 dt 17/7/74]

Instuction under T. R. 10

28) **Duplicate receipts** :— The provisions of subsidiary rule 6 regarding the issue of duplicate receipts apply to all Government servants, including those attached to treasuries With a view to avoiding the misuse of a duplicate chalan as a duplicate receipt, special care should be taken to see that the treasury officials mentioned in subsidsary rule 16 (f) ign in full only the copy or copies [see subsidiary rule 10 (g) above] of the chalan to be returned to the payer, and merely initial the remaining copy or copies of the chalan.

29) The receipt for a sum paid by transfer in the accounts at a district treasury shall be signed by the Assistant Treasury Officer.

The receipt for a sum paid by transfer in the accounts at a sub-treasury should be signed by the Sub-Treasury Officer and another Government servent (not beiugs a Shroff) desigunted for the purpose by the Sub-Treasury Officer. This insruction does not apply to receipts for sum paid by transfer in the account for service postage stamps (see instruion 30 days below.)

Instructions under Treasury Rule 10

32. A cheque received at a treasury should be treated as a final payment, only after it has been met and the amount has been actually credited to the Government. The provisions of subsidiary rule 2 (b) and instruction 3 regarding the preliminary acknowledgment and final receipt to be given when a payment is made by cheque, the procedure to be followed when a cheque is not honoured, and the date to be treated as the date of payment if the cheque is honoured apply mutatismutandis to a cheque received at a treasury.

33. The register of chalans issued at a treasury should show the particulars of each chalan passed for presentation at the Bank. The register may be maintained according to departments, to that the Land Revenue chalans are passed and registered by the section or clerk concerned with Land Revenue in the office to which the treasury is attached, the Excise Revenue chalans by the section or clerk concerned with Excise and so on.

34 Payments for stamps sold to the public by ex-officio vendors shall be remitted in the treasury and shall not be made to the ex-officio vendors in cash Necessary chalans in support of such payment shall be delivered to the ex-officio vendors who may issue the stamps after nothing in the daily sales account the number and date of the chalans received. At places where the treasury and the Bank are near to one another and it is, therefore, not inconvenient to follow the procedure laid down in subsidiary rule 19 above that procedure may be followed.

A Government servant should pay for any service postage stamps for which he indents on the treasury by means of an adjustment bill or a cheque, and should not make any payment direct into the Bank on this account. The treasury should not give any receipt for a payment made for service postage stamps by transfer in the accounts.

CHAPTER V

Withdrawal of moneys from the Government account

Subsidiary Rules and Instructions under Treasury Rule 16

General

Subsidiary Rules under Treasury Rule 16

S.R.I. A claim against the Government shall be made by presenting at the treasury a bill or other voucher in the prescribed form duly receipted and when necessary, stamped. Every bill or other voucher shall contain full details as to the amount and the nature of the claim and all particulars necessary for the proper classification of the payment in the accounts. A bill or other voucher drawn by a Government servant shall be singed and, when necessary countersigned by the Government servant competent to do so under the relevant rules. A bill or other voucher drawn in respect of a claim of a person who is not in Goverment Service shall ordinarily be singed or counterisgned by the head of the department or some other responsible Government Servant belonging to the department conserned with the payment.

Note :- As adjustment bill for 'NIL' amount involve no payment. it is, not necessary to insist upon any acknowledement of payment in respect of such bills.

The treasury shall receive and carefully scrutinize all bills and other vouchers presented. If the Treasury or Sub-treasury Officer is satisfied that a bill or other voucher is order and that the claim is one which he is authorized to pay, he shall sing a payment order on it. Payment shall then be made accordingly and, entered in the accounts.

At a place where the transacts its cash business through the Bank, the Bank shall make all Government payments other

than those included in classes of payments which the Government have specially ordered to be made elsewhere. At such a place every bill or other voucher shall, in the absence of a special rule or order to the contrary, be presented first at the treasury for scrutiny and authorization of the payment and then at the Bank.

Procedure to be Followed In Preparing Bills

The following subsidiary rules and instructions lay down the detailed procedure to be followed by drawing officers in preparing bills and other vouchers, and the checks to be exercised by the treasury or the bank before making any payment. Rules 17-29 of the Tamil Nadu Treasury Rules also relate to these matters.

The duties imposed on the Treasury Officer in the rules and instructions mentioned above shall be performed by the Forest Disbursing Officer in respect of payments made by him without presenting bills at the treasury

In every case in which it is deemed necessary to utilize the treasury of other States or the agency of a bank or of a private banker for disbursement of any claims due by the Government, such claims shall, unless there are express orders of the Government to the contrary, be presented in accordance with the procedure prescribed in these rules for presentation of claims at a Government treasury.

Form of Bills, Etc

General

S. R. 2 (a) A bill or other voucher presented at the treasury as a claim for the payment of any amount by the Government shall contain particulars of —

(1) the nature of the claim,

(2) the amount claimed,

(3) the period to which the claim relates, if it arises periodically, e. g., a claim for pay and fixed allowances.

(4) the orders sanctioning the charge, if it was incurred under special orders,

(5) the authority for any deduction made in the bill.

(6) the major head, comprising sub - major head (where necessary) minor head, sub-head detailed head and sub detailed account head to which the charge (or each part of it) is debitable, and

(7) the allocation of the charge between Governments (including the Central Government) and departments, if any, such allocation is necessary.

(b) Every bill or other voucher shall be prepared in the form prescribed under these rules or in the departmental manual or code concerned for bills or vouchers of the kind in question. Such form shall be printed in English, or when necessary, bilingually in English and Tamil. As far as possible, all bills and other vouchers shall be prepared in English. When it is necessary to prepare a bill or other voucher in Tamil, a brief abstract shall be endorsed on it in English stating the payee's name, the amount claimed and the nature of the claim, and the drawing officers hall sign this abstract. When printed forms are not available, stencilled or typed forms may be used; but the use of the latter should be avoided as far as possible. Bills for all debit head item 5 should be drawn in separate forms printed in red ink on white paper.

Note (1) :- Cheques written in the regional language may be accepted, if the drawer of the cheque is unable to have it written in English.

Note (2) :- The cash memoranda submitted in support of the claims for reimbursement of the east of special medicines purchased from the market under the Medical Attendance Rules need not however be stamped or bear the suppliers acknowledgement.

(c) Every bill or voucher shall be filled in ink/type-written/ processed in Bradma machines and signed in ink. The total amount claimed shall, so far as the whole rupees are concerned, be written in words as well as in figures. The amount of the Paise may be written in figures after the words stating the uumber of rupees, e. g., "Rupees twenty-five/30". If there are no Paise, the word "only" shall be written after the number of whol rupees, e g., "Rupees twenty-six only". In either case, great care shall be taken to leave no space that could be used for making an interpolation.

The spaces left blank either in the money column or in the column for particulars of the bill should invariably be covered by oblique lines. A note to the effect that the amount of the bill is below a specified amount expressed in whole rupees should invariably be recorded in the body of the bill in red ink. The amount so specified should be a sum slightly in excees of the total amount of the bill.

Note:- The following enfacement should, invariably, be made on the office copy of every bill to prevent, effectively the pssibility of preparing another fair copy in any subsequent occasion.

Fair copy approved on .... Initials of the Drawing Officer.

Note :- The drawing officer shall see that the page wise otals of the pay bills and other are struck at theen d of each petge such totals posted seperately on the last page of the pay bill and consolidated correctly.

(d) No bill or voucher containing any erasure shall be presented at the treasury Every correction or alteration in the total of a bill shall be separately attested by the full signature of the person who signs the receipt. Every correction or alteration

in the payment order shall be similarly attested by the signing officer, if it is drawn on the bank and in other cases, by the Treasury or Sub-Treasury Officer who signs it.

(e) When a charge is debitable to more than one major head of account, the drawer shall ordinarily present a separate bill for the amount debitable to each major head but a single bill shall be prepared for the pay and/or allowances of a Government servant or an establishment debitable to two or more major heads when the whole charge is met from the revenues of the State. In respect of payments by Government to private parties outside the State by means of bank drafts, the commission due to the bank for the purchase of the draft shall also be included in the bills prepared by the drawing officers. Correct commission due to the bank in respect of the proposed remittance shall be ascertained beforehand from the bank and classified separately under 'contingencies' of the drawing officers concerned.

(f) Claims for which no other specific form has been prescribed including claims for any advance of pay and/or travelling allowance to a Government servant and any advance for the purchase of a motor car or other conveyance, shall be made in Form 40. Whenever an authorization for payment of grant-in-aid is due from the head of the department or an officer duly authorized by him, no payment shall be made to the grantee, unless the payee surrenders the copy of the letter of authority issued by the head of the department or an officer duly authorised by him, the reverse thereof being used as a bill duly countersigned by the Government servant specified in the sanction. When grant-in-aid is drawn piece-meal, the payee should surrender the letter of authority issued by the head of the department or an officer duly authorized by him, along with the bill for drawal of the final instalment of the grant-in-aid.

(g) The procedure prescribed by the Government for the elimination of paise from the Government accounts and from 'contractors' bills (see Articles 321-322 of the Tamil Nadu

Financial Code Vol. 1) shall be followed in preparing bills and other vouchers.

(h) Unless the Government have expressly authorized it in the case of any specified office, on bill or other voucher and no payment order shall be signed by a clerk for the head of the office,even if it is customary nor the clerk to sign letters for him when he is absent No bill or other voucher and no payment order shall be signed with a stamp. The head of an office may authorize a gazetted Government, servant serving under him to sign bills, vouchers and payment orders for him but, if he does so. he shall communicate the Government servant's name and specimen signature to the treasury or treasuries concerned. A delegation of powers of this kind shall not, any way. relieve the head of the office of his responsibility for the accuracy of the bills. etc. and for the disposal of the moneys drawn from the treasury.

L) iliterate person :

When a claimant or payee is unable to sign his name. he may furnish his signature on a bill or other voucher in the form of a mark or preferably a thumb/great toe-impression. No payment shall be made on any bill or other voucher so signed, unless some person known to the treasury or the bank, as the case may be appears with the payee and identifies him and attests his mark or thumb/great toe-impression in token of its genuineness.

Similarly, when an illiterate person, who is unable to sign his name in any language, draws a cheque on the treasury or the bank by furnishing his thumb/great toe-impression on the cheque no payment shall be made unless some person known to the treasury or the bank, as the case may be, appears with the drawer and identifies him and attests his thumb/great toe-impression in taken of its genuinesness. The person who attests the thumb/grate the impression should be one who is not employed in the treasury or the bank or the Panchayat and he should also furnish his address,

Note:- (1) The procedure prescribed in respect of payment to illerate persons shall apply in the case of blind presons also.

1. Preparation of bills — General.

1. 1. A bill presented at the Treasury or Sub-Treasury or in the Pay and Accounts Office, Madras for any amount should contain the following particulars :-

(i) Nature of claim;

(ii) The amount claimed;

(iii) The period for which the claim relates, if it arises periodically like a claim for a pay and fixed allowance — vide S.R. 32 (a) and T.R. 16;

(iv) The orders sanctioning the charge, if it is incurred under the special orders;

(v) All the tiers of heads of Accounts, i.e., from major head to which the charges debitable which is applicable both to the General as well as the State Government the Drawing Officers must sign the enfacement slip after satisfying themselves as to the acurracy of the data processing codes;

(vi) D.P. Code and D.O. Code to identify the Department and also the office to which the expenditure related; and

(vii) It should be prominently indicated in red ink at the top of the front page of the non-Gazetted bill forms in which the Gazetted officer's claims are prepared "Gazetted officers bill".

1.2. Officers whose minimum in the time scale of pay is above Rs. 1,000 are self-drawing officers, Gazetted Officers whose maximum of pay in the time scale is Rs. 1,000 and less are not self-drawing officers. But in certain exceptional case officers drawing pay in the scale of pay the maximum of which is Rs. 1,000 and below are also authorised by Government for the sake of Administrative convenience. So the above procedure is adopted in respect of these Gazetted Officers.

1. 3 The bill should be prepared in proper forms prescribed under the Treasury Rules or in the Departmental Codes. It should as far as possible be in printed forms. Every bill should be prepared and signed in ink with date [Vide S.R. 2 (c) under T.R. (16]

1.4. If any deduction is made in the bill the authority for such deduction should be furnished. Necessary schedules in required numbers dully filled in should also enclosed.

1.5 The amount of the bill should be written in both figu res and words.

1.6. The corrections and alterations in total of the bill should not be erased. They should be neatly corrected and arrested by the dated signature of the officer signing the bill (Vied S R. (2) (d) under T.R. (16).

1.7. The Debit head should be typed and pasted in the proper place. If it is a big office where a large number of bills are issued, printed slips can be used A note to the effect that the amount expressed in whole rupees in words should be recorded in the body of the bill in red ink. This is called "Pro-ective endorsement". The amount to be entered will be next higher whole rupee of the bill amount (vied S.R. 2 (c) under T.R. (16)].

1.8. The following enfacement should invariably be made on the Office Copy of every bill to prevent effectively the possiblity of preparing another fair copy on any subsequent occasion "Fair copy approved on-(Initials of D O)". Every bill presented at the Treasury. Sub-Treasury will contain a slip in M.T.C. From 100 duly filled in subject to the exceptions in the Notes below Subsidiary Rule 2 (u) under T.R. 16.

1.9. Each Drawing Officer shall ensure that the first date pay bills are presented 5 days before the last working day of he month (vied Article 73. T.N.F.C Volume I).

1.10. All bills should be entered in the Undisbursed Pay Register while sending the bills for encashment to the Treasury.

1.11. All bills should be sent to the Treastury/Sub Treasury with entries made in the register of M.T.C. 70 (Treasury Bill Book). There should be only one Register for each office.

1.12. In respect of bills returned by the Treasury Officer with cheek slip. the fact would have been noted by the Treasury Officer in the appropriate colum of M.T.C 70 The serial number is such cases should be rounded off "The Bills" should be given fresh serial number when they are again presented to the Treasury.

1.13. To facilitate adoption of correct codes, the Drawing Officers should extract in the M.T.C. 70 Register, the head of account classifications pertaining to them with appropriate D.P. Codes and get them checked and attested by the Sub-Treasuries/Treasuries. Every bill should contain an enfacement slip (duly signed) indicating the Drawing Officer Code and D.P. Code Corresponding to the detailed and minor heads of accounts for each component of expenditure/deductions.

1.14. As reconciliation and the appropriation control depends largely on the accuracy of D.P. Codes indiciated by the Departmental Officers on the "ENFACEMENT SLIPS", the D.O. Codes containing all the tiers should be noted correctly with great care to aviod errors. Printed or cyclostyled enfacement slips only should be used.

1.15. In the case of a bill passed by the Drawing Officer/Controlling Officer, for presentation at a Treasury or Sub-Treasury that lost either before payment or before presentation at the Treasury, the Government Officer who drew the original bill shall ascertain from the Treasury that the payment has not been made n it by means of a non-payment certificate S.R. 2 (r) under T. R.16.

1.16. Sub-vouchers and signature in regional languages should be transliterated into English. Marking of thumb impressions should be attested by the Drawing Officers.

1.17. Bills must be countersigned wherever necessary according to the rules. The Treasuries can correct arithmetical in accuracy and the fact will be intimated to the Drawing Officer.

1.18. The column, "Received contents" should be receipted by the Drawing Officer or the messenger as the case may be. The bill should be stamped as required in S.R.2 (a) under T.R. 16.

1.19. Budget appropriation should be noted in respect of all bills claiming non-salary items of the expenditure. When a charge is debitable to more than one major head, separate bills should be prepared.

2. Preparation of Different kinds of Bills

2.1. For the disbursement of pay and allowances, settlement of bills for the supplies made or service rendered and also for incurring expenditure incidental to run an office, bills have to be prepared, presented at Treasury, encashed and disbursed.

2.2. The following bill are generally prepared in eash Office ;-

(1) Pay Bills

(2) Travelling Allowance Bills.

(3) Contingent Bills.

(4) Bills for Tour Advance.

(5) Bills for advance of Pay and Transfer, Travelling Allowance while on transfer.

(6) Permanent Advance.

(7) Bill for Drawal of G.P.F. Advance, with-drawals

(8) Refund Bills.

(9) Loans and Advances Bills

(10) Medical reimbursement bills

2.3. Preparation of Pay bills

(a) Pay Bill of Self-Drawing Officers (T.N.T.C. 42).

(b) Pay Bill of Non-Self-Drawing Offices (T.N.T.C. Form No. 47)

2.4. Pay Bill of Self Drawing Officers

Pay, Leave Salary, Increment, etc, of a Self-Drawing Officer can be drawn only on receipt of Pay slip (or authorisation) from the Accountant-General, Madras (T. R. 22).

2.5. Pay Bill of Non-Self-Drawing Officers.

2.5.1. Bills for permanent and temporary establishmen should be prepared separately. In respect of temporary establishment, number and date of Government Order in which the continuance is given should be noted at the top of Temporary Establishment Pay Bill.

2.5.2. A certificate should be given that the claims are covered by appropriate sanctions or by the concessions of drawing pay for not exceeding three months beyond the period of sanction. For preparing the current month pay bills, the office copy of the previous month may be compared. The net claim of each individual may be rounded to the nearest 5 paise. The Drawing Officer shall see that the page-war totals are struck in ink at the end of each page and also in the last page of the pay bill and consolidated correctly.

2.5.3. Last Pay Certificate in T.N.T.G. 101 should be attached, if the pay or any person who was transferred from other Office, is claimed in the bill. The Pay of the Last Grade Servant charged to contingencies should not be included in the Establishment Pay Bill.

2.5.4. Increment certificates (T.N.T.C. 49) duly sanctioned by competent authority should be attached to the bill, when pay at the increased rate is claimed for anyone (vide S.R. 16 and T.R, 16).

2.5.5. In respect of deductions towards G.P.F and F.B.F., House Rent Recovery, Festival Advance Recovery, Advance for the purchase of Khadi and Handloom and other loans and advances schedules in the prescribed form should be prepared, signed by the Drawing Officer and attached to the bill. Income-tax should be deducted at source and Income-Tax Schedule should be enclosed to the Pay Bill.

2.5.6. The prescribed certificate for the drawal of D. A, House Rent allowance and other allowances should be attached to the bills.

2.5.7. In respect of surrender leave salary and allowances, a certificate that necessary entries had been made in the Service Register of the Government servant may be recorded in the Bill. Whenever fair copies of Bills are signed, the fact may be noted in the office copy of the Bills as follows :—

2.5.8. "Fair copy approved on .... (date)" This would avoid duplication and double payment.

2.6 Arrear Claim

For arrear claim a separate bill should be prepared. The claim should be regulated with reference to the provisions contained in Articles 52 to 54 of the T.N.F.G. Volume I. In all the arrear bills the Drawing Officers should append a non-drawal certificate to the effect that the amount claimed was not drawn previously. A note of the arrear claim should invariably be made in the office copies of the original bills for the period to which claims relate over the dates initials of the Drawing Officer, to avoid double payment.

2.7. Travelling Allowance Bills

2.7.1. **Tour T. A. Advance:-** This should be claimed in T.N.F.G. Form No. 22 based on the sanction which should not exceed the probable amount for journeys or for a month whichever is less (vide Article 8S of T.N. Financial Code, Volume (1). A

copy of the sanction order should be enclosed to the Bill. When one advance is pending, second advance can be sanctioned on a certificate from the competent authority that an account has been rendered for the first advance.

2.7.2. Tour Travelling Allowance :- 19. 2. 1. After the completion of the journeys T. A. claim should be given in settlement of the advance.

2.7.3. All particulars like headquarters, pay, month of claim, date, hour and object of journey, etc, required to be indicated in the various columns in the bill should be furnished.

2.7.4. All the prescribed certificate like the certificate for the incidental charges non-drawal previously etc., should be furnished and duly signed by the Drawing Officer. The T.A.Bills should be counter-signed by the competent authority, whereever necessary, If any advance is granted previously the same should be adjusted in the bill.

2.8 Transfer Travelling Allowances

2.8.1. The claims for self, family, car/motor cycle/scooter, driver, personal servants, personal effects and lump-sum grant should be preferred within the time limits as given in the Tamil Nadu Travelling Allowance Rule 70 (I) to (X).

2.8 2. In respect of Gazetted Self-Drawing Officer, T. A. claim should be in T.N T.C Form No. 43 and in respect of others in T.N.T.C. Form No. 52.

2.8.3. Every Head of Office should keep a Register showing the receipt of T.A. claims from his subordinates and particulars regarding the final settlement should be noted. This would avoid delay in claiming T. A. Bills received from subordinates. The Head of Office can also watch whether claims received are cleared promptly in his office.

2.9. Contingent Bills

2.9.1. Contingent Bill can be drawn only by specified office as detailed below :-

2.9.2. A Gazetted officer who is the Head of an Office may draw its office Contingent Bill. He may also delegate powers to a Gazetted Government servent serving under him.

2.9.3. Bills for Contingent Expenditure should be prepared in T. N. T. C. Form No. 58. Full details of expeniture should be furnished in the Bill.

2.9.4. The sub-vouchers for individual payment exceeding Rs.500 should be attached to the Bill.

2.9.5. The steck entry certificate should be furnished whereever necessary on the sub-voucher and should be duly passed for payment. The fact of stock entry should also be furnished in the Contingent Bill.

2.9 6. A Certificate to the effect that the sub-vouchers for the individuals payment up to Rs. 500 have been passed and cancelled and retained in the office should be furnished, in respect of claims, which require the sanction of the higher authority, reference to the sanction should also be attached [S. R. 2 (j) under [T. R 16]. Particulars regarding the amount of appropriation sanctioned the total expenditure including this Bill and the balance available should be noted in the space provided for in the Bill.

2.9.7. If the contingent bill is endorsed in favor of private party who collects the amount in person, the form in T. N. T. C. 103 duly signed and attested, by the Drawing Officer should be attached to the bill. For the payment of bills for Rs. 75 and above endorsed contingent bill should be prepared in Form No. T. N. T. C. 58. It should be vouched bill. Simultaneously an advise has to be sent to the Treasury. The endorsement is valid for three months or 31st March whichever is earlier.

2.9.8. In respect of Telephone Bills it should be settled in cash. As regards Electricity Consumption charges, it should get settled in cash. However in the City, Bills for Rs.50 and below should be settled by cash payment. For bills exceeding Rs.50

perforated cheque should be issued by the Pay and Accounts Officers in favour of the Accounts Officer, Madras Electricity system Receipt for the payment should be obtained.

2.9 9. The rates and taxes of building payable to the Municipality, Township are settled by Contingent Bill.

2. 10. Bills for Advance of pay/Transfer Travelling Allowance while on Transfer

2.10.1. The claim should be preferred in Tamil Nadu Financial Code Form No. 40. (Bill for miscellaneous payments), Separate bills should be prepared for advance of pay and transfer travelling allowance.

2.10.2. A Copy of the orders sanctioning the advance should be attached in the bill.

2.10.3. The amount is debitable to the departmental service head concerned.

2.10.4. If the advance of pay has not been drawn at the old station, an advance may be drawn at the new station within one month from the date of joining in the new station, if his last pay certificate shows that no advance was drawn previously (vide Instructions I (f) under T. R 19).

2.10.5 If the family proceeds to the new station of the Government servant within six months from the date of his transfer, a separate transfer T.A. advance may be drawn at the new station provided no advance was drawn previously for the name purpose (Article 239, (c) Note 4]

2.11. Permanent Advance

2.11.1. Initial permanent advance is drawn in T. N.T. C. Form No. 40 (Miscellaneous Bill duly enclosing a copy of the order sanctioning the Permanent Advance.

2.11.2. Recoupment of Permanent Advance is done in T. N. T. C. Form No. 58 (fully vouched contingent bill).

2.11.3. The amount of expenditure is debited to the concerned heads of accounts and on encashment of the bill from the Treasury the amount is added to the permanent Advance.

2. 12. **Bill for G P.F. Adance, Part Final Withdrawal and Final Withdrawal :-** All kinds of withdrawal from General and other Provident Funds should be preferred in T.N.T C. Form 40—A enclosing a copy of the sanction order of the competent authority or the Accountant-General's Authorisation whereever necessary. (**Note**—In respect of the final withdrawal the Accountant-General's Authorisation is necessary. In other cases the competent authority's sanction will be sufficient.

2. 13. Refund Bills

2.13.1. The claim should be preferred in M. T. C. Form No. 62.

2.13.2. Full details of original credit should be given in the Bill.

2 13.3. The original orders of the sanctioning authority for the refund should be recorded in the Bill and copies attached thereto.

2.13.4. The refund bills should also contain the Treasury Verification Certificate as to the Verification of the original credit.

2.13.5. The refund should be entered against the original receipt entry in the departmental accounts.

2.13 6. A copy of the order of the competent authority for the refund should be sent independently to the Treasury Officer concerned.

2 14. Loans and Advance Bills

2.14 1. Bills claiming all kinds of advances sanctioned to Government servant under the head "Loans and Advances" (Festival Advances, Motor Car Advance Cycle Advance, etc). have to be preferred in T. N. T. C. Form No. 40 enclosing a copy of sanction order of the competent authority.

2.14.2. Sanction for loan will lapse as the close of the financial year.

2. 15 Medical Reimbursement Bills

A Government servant or an employee of a Local Body will not be liable to pay the cost of special expensive drig issued from the Hospital Stock in connection with his treatment or the treatment of a member of his family whether as inpatient or out-patient. He will also be eligible for the reimbursement of the cost of any special and expensive drug purchased by him in connection with his treatment or treatment of a member of his family at the instance of the concerned authorised medical attendant or other entitled Medical Officer or the Medical Officer-in-charge of the case at the hospital. subject to the conditions prescribed by Government. Regional and District Officers should be vary of false and bogus claims under Medical Reimbursement.

3 Permanent Advance

3.1. As a general rule money is permitted to be drawn from the Treasury on presenting a proper voucher prepared according to the rules so as to show the precise nature of the expenditure and no money can be drawn from the Treasury until it is required for immediate disbursement. But unforeseen expenditure has often to be incurred urgently and it would sometimes be very inconvenient to postpone such expenditure while fulfilling the formalities required for drawing money from the Terasury. To enable the Head of the Office to make disbursement of this kind before drawing the necessary bills, a Government servant is granted a permanent advance the amount of which should be limited to what is absolutely essential to meet his ordinary requirements.

3.2. The Permanent Advance of the Head of the Department is fixed and sanctioned by Government. The Head of the Department may sanction permanent advance to Govenment

servants serving under him. The authorisation of the Accountant-General should be obtained for the initial drawal of the permanent advance. Application for initial advance should be accompanied by a statement of financial forecast of contingent expenditure which has to be met from the permanent advance, based on the contingent allotment of the office. The Accountant-General will scrutinise the first three monthly statements of expenditure and fix the advance finally having regard to the average monthly expenditure as reported through the statement. On 1st April every year and whenever there is a change in the amount of the advance sanctioned or a transfer of charge takes place, the Government servant who holds the Permanent Advance should forward an acknowledgement to the Accountant-General in the prescribed form

General Principles Regarding Passing of Bills Subsidiary Rules Under Treasury Rules Applicable to District Treasuries and Banking and Non-Banking Sub-Treasuries.

S.R. 32. A bill or other voucher presented for payment at a treasury or sub-treasury shall be received and a metalic token issued to the party presenting the bill as an acknowledgement for the receipt of the bill at the treasury/sub-treasury (See also Instruction 33-B) The bills shall be entered in the Bill Movement Register in T.N.T.C. Form 70-A and handed over to the bill passing Accountant, who after necessary scrutiny shall record the pass orders and place the bills before Treasury Officer/Assistant Treasury Officer through the Section Head or the Sub-Treasury Officer, as the case may be. If the Treasury Officer/Assistant Treasury Officer/Sub-Treasury Officer is satisfied that the claim is admissible, the authority good, the signature genuine and in order and the receipt, a valid discharge, shall sign the order for payment at the foot of the bill or other voucher. In a non-banking sub-treasury the Sub-Treasury Officer shall send the voucher to the shroff after entering it in his account. The shroff shall make the payment and enter it in his Cash Book in which

each cash transaction is posted as it occurs. The Shroff shall punch the stamp, if any, affixed to the payee's receipt, stamp the voucher 'Paid and retain it for delivery to the Day Book Clerk, when the books are compared. All bills and vouchers passed for payment on any day shall be paid on the same day and no payment shall be made otherwise than in accordance with a written order of he Sub-Treasury Officer.

Note :— Bills and vouchers passed for payment at a treasury which are not paid on the same day on which they are passed, shall be paid after the original pass order is duly revalidated by the Treasury Officer. A suitable record that the original pass order has been revalidated shall be made on the bill under the dated signature of the Treasury Officer

S.R. 33. **Treasury Bills Book :-** Every office should enter particulars of all its bills, including bills of gazetted Government servants, that are presented for payment at the treasury in a book called 'Treasury Bills Book' (Form 70) which should be presented at the treasury along with each bill. The Treasury Officer should not pass any such bill for payment unless the treasury bills book is presented with it. The treasury should fill up columns (8) to (10) of the book. If the amount paid differs from the amount claimed, the Government servant who initials in column (10) of the book should note the amount paid when signing against the item.

The Treasury Bill Book (Form 70) maintained by all Drawing Officers should be closed daily by the Drawing Officers concerned after it is received back from the Treasury and the list of uncashed bills detailed and the relative tokens in respect of those bills verified by him. If it is not practicable for drawing Officer to close the Treasury bill book daily due to delay in the Treasury or due to the drawing officer being on tour, the treasury Bill Book should be closed as and when it is received back from the treasury or as soon as the drawing officer returns from tour. During the absence of the Drawing Officer on tour, the Head

Ministerial Officer or the officer dealing with cash, should close the register daily. In such cases the Head Ministerial Officer should certify that the tokens in respect of the uncashed bills are in his personal custody. The Drawing Officers should maintain a subsidiary register in Form M. T. C. 70-C to watch the return of tokens relating to the bills not cashed.

Subsidiary Rules Under Treasury Rule 16

(III) Cheques

Applicable To Departments Generally

S. R. 39. Cheques shall ordinarily be drawn on the district treasury, but certain Government servants of certain departments are authorised to draw cheques, on sub-treasuries also (see ubsidiary rule 54 (b) below in regard to Public Work Officers).

Cheques from a cheque-book obtained from a particular district treasury (see instruction 40) shall not be drawn on any treasury outside that district. Government servants in the muffassal who have been allowed to draw cheques on the Reserve Bank of India at Madras, may, however, use the cheque-books obtained from the local treasury officers. A drawing officer shall use a different cheque-book for the district treasury and for each sub-treasury on which he draws and enter a distinguishing letter and a separate series of numbers on the cheques from each book.

S. R. 40. Whenever a cheque is presented, the treasury shall carefully examine the number printed on it in order to sacertain that it was really taken from the book notified as in used by the Drawing Officer whose signature it purports to bear. If the payee is not known ar the treasury, the Treasury Officer shall carefully consider the date, serial number and amount of the cheque as well as the hand writing and make any enquiries that he considers necessary; if he then feels any doubt as to the genuineness of the cheque or the identity of the payee, he shall defer payment and refer the drawing ufficer.

S.R. 41. Whenever a Government servant draws a cheque (other than a cheque the amount of which is typed in words with perforated letters by a special cheque-writing machine) he shall see that it has written across it and right angles to the type the word "under" followed by an amount a litiler than that for which he draws the cheque. For example, "under rupees thirty only" means that the cheque is for an amount less than Rs. 30 but not less than Rs. 20, whilst "unper rupees eight hundred only" means that it is for an amount loss than Rs. 800 but not less than Rs. 700 No abbreviation such as "eleven hundred" for "one thousand one hundred" may be used. The amount of a cheque shall be written in the manner prescribed for all bills in subsidiary rule 2 (c) above.

A common form of fraud in regard to cheques consists in altering the word 'one' into 'four' by prefixing an 'f' and changing the 'e' into an 'r' as the figure can easily be altered corrospondingly to 4. The word "twenty", when written carelessly, has also sometimes been changed into 'seventy'. A Government servent who draws a cheque in which the word "one" or 'twenty' occurs shall therefore write the word very carefully in order to make such is fraud impossible. The Treasury Officer shall examine the words 'four' and 'seventy' and the corrosponding figures in cheques with special care.

All cheques shall be written and signed with the special cheque writing ink which can be obtained from the Director of Stationery and Printing, Madras

Subsidiary rule 2 (d) above shall apply **mutatis mutandis** to erasures, corrections and alterations in cheques.

Note :— Cheques written in the regional language may be accepted if the drawer of the cheque is unable to have it written in English.

S.R. 42. a) Cheques drawn in favour of Government servants and departments in settlement of Government dues shall always be crossed "A/c payee only—Not Nogetiable".

In respect of payments on account of inter-departmental or inter-governmental dues, the issuing offices shall cross all drafts and cheques, whether drawn on an office of the Reserve Bank or any of its agencies including Treasury Agency and the words "For Credit of Government Accounts—Not payable in cash" shall be written between the lines.

(b) In the absence of a sepecific request to the contrary from the payee, cheques/drafts drawn in favour of corporate bodies, firms or private persons shall always be crossed but all cheques/drafts on banks for amounts exceeding Rs. 1,000 in each case, other than in payment of salary, allowances, pensions, etc., of Government servants and pensioners, drawn in favour of an individual, a firm, a company, statutory body, etc., for services rendered or supplies made by them shall invariably be crossed.

Subject to any instructions received from the payee, a cheque shall be crossed "................& Co.," with the addition of the words "Not Negotiable" between the crossing. Where the payee is believed to have a banking account, further precautions shall be adopted where possible by crossing the cheque 'specially'

Account

(instead of by the 'general' crossing '.................... & Co ,') by quoting the name of the bank through which the payee will receive payment and by adding the words "Acc payee only/Not Negotiable." These instructions regarding the method of crossing cheques are applicable in all cases where the use of crossed cheques is prescribed.

Exception (1):- Cheques preferable at a treasury for payment are non-negotiable instruments and should not, therefore, be crossed.

Exception (2) :- Uncrossed cheques may be issued to private educational institutions in payment of teaching grant bills and mid day meals grant bills on receipt of specific request there

fore from the payees and no claim shall lie against the Government under any circumstances on account of any loss they may suffer in encashing the cheques.

S. R. 43. When a Government servant draws a cheque in favour of a Government servant, he shall make it payable to order only. When a Government servant draws a cheque in favour of a person who is not in Government service, he may, if the payee requests him, to do so, make it payable to bearer. The Sub-Treasury Officer shall from cash a cheque made payable to "A, B, or bearer" if A,B, is a Government Servant.

The Sub-Treasury Officer may decline to make any payment on a cheque payable to a person not in Government service "for bearer" if he is unable to satisfy himself as to the identity of the person claiming payment. He may also decline to make any payment on a cheque payable to a person or persons not in Government service "or order" if he is unable to satisfy himself as to the identity of the person claiming payment or as to the validity of the chain of endorsements, if any, by virtue of which that person has become the holder of the cheque.

The Sub-Treasury Officer shall treat an endorsement by duty constituted and authorised attorney on a cheque payable to the order of his principal as though it were an endorsement by the principal provided that a valid power of attorney has been registered at the treasury in Form 16 of Government Securities Manual.

S. R. 44. As a general rule, the Sub-Treasury Officer shall not pay a cheque payable to order, unless it is receipted by the payee himself or another person in whose favour it has been regularly endorsed for payment. If, in special circumstances, the head of an office is unable himself to receipt cheques payable to his order owing to absence on tour or some other sufficient cause and considers that strict complience with the ordinary rule would cause undue inconvenience, he may by a written order specially

authorize a Gageited Government servant to endorse "for" him cheques drawn in his favour by his official designation. The head of the office shall send a copy of any such order at once to the Sub-Treasury Officer and the Sub-Treasury Officer shall then treat an endorsement by the duly authorized Government servant as though it were an endorsement by the head of the office.

S.R. 45.- a) As a general rule, no cheque shall be issued for a sum less than Rs- 25 except when it is done in order to comply with the provisions of law or a rule having the force of law.

Exception (i) :- Official Receivers may issue cheques to treasuries for amount less than Rs. 10.

Note :- Regarding payment by cheques by the Pay and Accounts Officer please see S R. 57 ibid.

Exception (ii) :- Payment of claims below Rs. 25 towords settlement of transactions between Public Works Divisions may be made by cheque.

S R. 46. When a Government servant issues a cheque in payment of any amount due by the Government and the cheque is honoured on presentation, payment shall be deemed to be made on the date on which the cheque is handed over to the payee or his authorized messenger or on which the cover containing it is put in to the post. If, however, the cheque is marked as not payable before a certain date which is later than the date mentioned in the previous sentence, payment shall be deemed to be made on the date on which the cheque becomes payable. Such a cheque shall not be charged in the accounts untill the date on which it becomes payable.

S R. 47. When a Government servant pays an endorsed bill by cheque he shall not disregard the endorsement and issue the cheque in favour of the drawer of the bill.

S.R. 48. **Local Fund Cheques :-** The Treasury or Sub-Treasury Officer shall not permit the withdrawal of any moneys relating to a local fund from the treasury otherwise than on cheques signed by the duly authorised officer of each fund. e.g, the Executive Officer of a Town Panchayat or the Panchayat Union Commissioner and the executive authority of a Municipal Council. No local fund cheque shall be paid, unless the balance at the credit of the fund is sufficient to cover the payment.

S. R 49. **Time-expired cheques :-** If a cheque the currency of which has expired owing to its not being presented at the treasury for payment within three months after the month of issue is returned to the drawing officer; he shall destroy it and may then draw a new cheque in place of it, if necessary. He shall record on the counterfoil of the old cheque the fact that the cheque has been destroyed and the number and date of the new cheque and shall enter on the counterfoil of the cheque the cheque the number and date of the old one.

S.R. 50 **Lost cheques :—** When a drawing officer receives a report that a cheque drawn by him has been lost, he shall at once report the fact to the Treasury Officer/Sub-Treasury Officer and request him to stop payment of the cheque. The Treasury Officer/Sub-Treasury Officer shall at once examine the lists of paid cheques and if he finds that the cheque has not been paid take steps to stop payment. A board showing the particulars of all "stoped" cheques shall be hung up before the clerk concerned. The Treasury Officer/Sub-Treasury Officer shall also send the drawing officer a certificate in the accompanying form, when a cheque reported as lost has not been paid and has been stopped.

Certified that cheque No .... dated .... for Rs .... reported by (the Drawing Officer) to have been drawn by him on the .... Treasury in favour of .... has not been paid as seen from the records of this office.

2. Certified that this cheque if presented hereafter, will not be paid.

.... Treasury.

The........................ 19.........

The Treasury Officer/Sub-Treasury Officer.

Note : Certificate No. 2 need not be furnished in the case of Treasuries which transact their cash business through Banks.

On completion of the requirements stated in foregoing sub-paragrapha of this sub-rule, the drawing officer shall issue & fresh cheque in ileu of the lost one under intimation to the drawee office. On such cheques superscriptions like "duplicate issued in lieu of the lost one", fresh cheque issued in lieu of the lost one etc, shall not be written.

If and "stopped" cheque is presented at the treasury for payment, the clerk concerned shall at once bring the fact to the notice of the Treasury Officer/Sub Treasury Officer and the latter shall refuse payment and return the cheque to the person who presented it with the words "Payment stopped" written across it.

The party requesting for a fresh cheque in lieu of a lost one, should execute an indemnity bond in form 46 A However, in the case of a Government department or a bank, the execution of an indemnity bond is not necessary but a fresh cheque should be issued in its favour only on receipt of a certificate, stating that it has not received the cheque alleged to have been lost or having received it, it has been lost and that it will be returned to the drawer, if found later.

Note:- If a duplicate cheque is issued on the basis of non-payment certificate which is eventually found to be incorrect and the drawer thereby suffers a loss, it would be for the treasury or the drawee bank as the case may be. who gives the incorrect certificate to compense to the "Drawer" for the loss incurred. The responsibility, for any loss arising on account of the issue of an incorrect non-payment certificate by the Treasury consequetn

on an incorrect certificate furnsihed by the Departmental Officer, will have to be fixed equally on the treasury and the Department concerned

The amount representing the portion of the loss to be madd good by the treasury/sub-treasury will be debited to the Detailed head, "Other charges" under the Minor head, "4. Office contingencies and other charges" under "19. General Administration, Director of Treasuries and Accounts".

S R 51. Cancelled Cheques :- The drawing officer shall cancel any cheque which has remained unpaid for three months after the month of issue When a cheque is cancelled for any reason, the fact shall be recorded on its counterfoil and the cheque if in the drawing officer's possession, shall be destoryed. If the cheque is not in his possession and payment has not already been stopped under proceeding subsidiary rule, he shall at once request the Treasury Officer Sub Treasury Officer to stop payment of the cheque. If the Treasury Officer/Sub-Treasury Officer then finds that the cheque has not been paid he shall stop payment and send the drawing officer's certificate prescribed in Subsidiary Rule 50 above

Instructions under Treasury Rule 16
Applicable to Departments Generally

57. Cheques:- Instructions 40/50 above apply mutatis mutandis to cheques drawn by Government servants on the Bank where the treasury business is transacted through it. The specimen signatures and certificates mentioned in instructions 50 (b) and (c) above should be sent to the Bank, when the cheques are drawn on the Bank.

59. Lost cheques :- The provisions of subsidiary rule 50 and instruction 41 should be observed mutatis mutandis in regard to cheques drawn by a departmental officer on the Bank direct. When such a cheque is lost the departmental officer should send the intimation of the loss of the cheque to the Bank direct

by Registered Post-Acknowledgement Due and advise it to stop payment if the cheque, alleged to have been lost, is presented there after. A written confirmation about the bank having recorded the "Stop order" should also be obtained from it. However, in cases where the currency of the cheque alleged to have been lost, has already expired in terms of subsidiary Rule 45 (b) ibid at the time, when the request for recording the "Stop order" by the bank is made no acknowledgement of the "stop order" by the bank other than a postal acknowledgement due, is necessary. The Treasury Officer should send the certificate prescribed in subsidiary Rule 50 above with suitable modifications.

Note :- The conditions mentioned in note under S.R. 50 will apply **mutatis mutandis** to the lost cheques mentioned under this instruction also.

PAYMENT OF PENSIONS

N.B. In the cash of pensions chargeable to the Central revenues, the rules in the Central Treasury Rules should be followed.

Subsidiary Rules under Treasury Rule 16

Manner of Payment of Pensions and Identification of Pensioners.

S.R. 64. **Pension Payment orders** :- (a) In regard to each pension sanctioned by a competent authority except in the case of payment of provisional pension by a head of office the Accountant-General issues a Pension Payment Order in two halves of which one known as the disburser's half is kept in the treasury at which the payment is to be made and the other is delivered to the pensioner.

(b) The disburser's half of each Pension Payment Order shall contain the impressions of the thumb and each finger of the pensioner's left hand or where this is not possible due to physical incapacity the thumb and finger impressions of his right hand,

failing which his toe impressions. These impressions shall be taken in the presence of the head of the office concerned or some othe responsible officer when the pension application is prepared and he shall sign the following certicate below them :—

Certified that the above finger prints or toe impressions have been taken in my presence and under my personal superintendence from the left/right hand or toes of the person whose name is entered in the Pension Payment order.

(c) A pensioner shall produce his half of the pension payment order before the disbursing officer whenever he claims payment of his pension and no payment shall be made if he fails to produce it.

(d) When a portion of a pensions is commuted the Accountant-General shall issue a revised Pension Payment Order for the reduced amount of pension along with the authority for the payment of commuted money with instructions to the Treasury Officer to recover the pensioner's half of the original Pension Payment Order before handing over the pensioner's half of the revised Pension Payment Order. The Treasury Officer shall forward both the halves of the original Pension Payment Order to the Accountant-General in a separate schedule.

S.R. 65 (a) As a rule except in the case of provisional pension payable through a head of office a pensioner shall take payment of pension in pension and the disbursing officer shall identify him with reference to the details available in the Pension Payment Order before making any payment. Whee claiming his pension for the first time, a pensioner shall also be required to produce a copy of the order communicating the sanction to his pension.

Whenever a pensioner appears to take payment of his pension, the dishanding officer shall check his personal marks with these recorded on the disburser's half of the Pension Payment Order and compare his signature on the receipt with that pasted

on the disburser's half of the Pension Payment Order. If a pensioner cannot sign his name, the disbursing officer shall compare his thumb/great toe impression on the receipt with the original thumb/great toe impression previously taken on the disburser's half of the Pension Payment Order.

(d) (i) **Payments in Madras City :** Claims for pensions payable in Madras City shall be presented at the office of the Pay and Accounts Officer, Madras and paid in cash irrespective of the amount involved unless a pensioner desires payment through cheek on the Reserve Bank, Madras.

(ii) **Payments in the muffassal :–** Pensions payable at a treasury which transacts its cash business through the Bank shall be actually disbursed at the Bank or at the treasury in accordance with the general or special orders of the Government applicable to each case—See also instructions 51 and 51-A above. When such a pension is to be disbursed at the Bank the officer-in-charge of the treasury shall be the disbursing officer for the purpose of these rules except in regard to the actual disbursement of cash on the bill passed for payment by him. A pension that would otherwise be actually disbursed at a treasury which transacts its cash business through the Bank shall if the pensioner endorses him in favour of the State Bank of India, be paid at the Bank after being passed by the treasury.

(iii) **Provisional Pension :—** Provisional Pension payable through a head of office shall be drawn by the head of the office, in which the Government servant served immediately, prior to his retirement from where his pay and allowances were last drawn.

S. R. 70. **Leper pensioners :—** A leper pensioner shall ordinarily appear before the disbursing officer to claim his pension without preparing a bill. The disbursing officer shall then direct one of his clerks or assistants to fill up a pension bill form on behalf of the pensioner. Payment shall be made at once to the pensioner on this bill and the disbursing officer shall mark the

bill by means of a stamp as having been paid in his presence and record the fact of payment in both halves of the Pension Payment Order under his initials Both halves of the Pension Payment Order shall be retained in the treasury in these cases. When a leper pensioner is unable to appear before th disbursing officer due to bodily infirmity he shall send a life certificate under subsidiary rule 66 but not a bill. The disdursing officer shall have the bill prepared and either remit the pension irrespective of any money limit by postal money order or if the pensioner has requested him to do so, arrange for it to be paid through the headman of the village in which the pensioner lives before two responsible witnesses The procedure to be followed when a pension is paid to a leper pensioner through the village, headman is prescribed in Appendix 10

Lapse of Service Pensions.

S. R. 86. (a) If a pension payable in India remains undrawn for move than one year, the pension shall cease to be payable. (Article 956, Civil Service Regulations.)

(b) If the pensioner afterwards appears the disbursing officer may renew his payments. He shall not, however pay the arrears, if the pension in arrears is to be paid for the first time or if the amount of the arrears exceeds Rs. 2,500 without obtaining through the Accountant-General the previous sanction of the authority which sanctioned the pension or when the pension was sanctioned by the Government the previous sanction of any subordinate authority to which the Government have delegated the power to sanction the payment of such arrears. (Article 957, Civil Service Regulations). If, however, the Accountant-General considers that the suspension of payment was due to error or neglect on the part of any public officer, he may direct that the arrears be paid on his own authority. (Article 958, Civil Service Regulations.) Payment of arrears of pension exceeding Rs. 1,000 but not exceeding Rs. 2,500 can be made only on the authority of the Treasury Officer who may call for periodical returns for the purpose of checking of arrears.

S.R. 87. (a) A pension chargeable under the head "266 pension and other retirement benefits" not drawn for three years shall cease to be payable without the previous sanction of the Accountant-General. (See Ariticle 55 of the Tamil Nadu Financial Code Vol. I.)

(b) Except as provided for under Subsidiary Rule 89 (a) below, the arrears of pension due on account of a deceased pensioner shall cases to be payable if, they are not claimed within one year of the pensioner's death.

(c) The Treasury Officer shall examine the files of Pension Payment Orders carefully every month and remove all the Pension Payment Orders relating to cases of the kinds mentioned in clauses (a) and (b) above. He shall return the disburser's halves of the Pension Payment „Orders concerned to the Accountant-General with a half-yearly statement of such cases. The statement shall be prepared in two parts; the first part should show the names of all service pensioners entitled to pensions adjustable under the head 65. Superannuation Allowances and Pensions (other than 'Pensions for distinguished and meritorious services or for political considerations' and "Charitable Allowances") who have not drawn their pensions for three years and the second part should show the names of service pensioners other than those included in the former dart who have not drawn their pensions for more than one year. The reason for the non-drawal, if known, shall be stated against each name.

Subsidiary Rules under Treasury Rule 16

Deceased Pensioners.

S.R. 88. A pension shall be payable for the day of a pensione's death, irrespective of the hour at which death takes place see Article 80 of the Tamil Nadu Financial Code, Vol. I.

S.R. 89. (a) After the death of a pensioner, the disbursing officer may pay any arrears actully due to the pensioner's heir or heirs provided that they apply within one year of the date of death See subsidiary rule 87 (b) above. If the application is

made later the arrears shall not be paid without obtaining through the Accountant-General the previous sanction of the authority which sanctioned the pension or when the pension was sanctioned by the Government, the previous sanction of any subordinate authority to which the Government have delegated the power to sanction the payment of such arrears. If, however, the arrears of pension do not exceed Rs. 100 and the case presents no peculiar features, the Accountant-General may direct that the arrears be paid on his own authority.

In cases where arrears of pension due to a deceased pensioner have to be paid to the legal heir or heirs in a district other than the one where the pension was being disbursed while the pensioner was alive, the Treasury Officer of the later district may, after satisfying himself about the claim made by the legal heir or heirs authorise, by a registered letter under his own signature, payment of the arrears at the required treasury within the State, under intimation to the Accountant-General, provided the payment of the arrears is within his powers indicated in sub-paragraph I above. The Treasury Officer who receives the authorisation will record the payment of the arrears of pension in the pension order and send both the halves of the order to the Accountant-General under intimation to the Treasury Officer who authorised the arrears.

(b) After paying the arrears of pension due on account of a deceased pensioner, the disbursing officer shall return both halves of the Pension Payment Order to the Accountant-General (through the district treasury if the payment was made at a sub-treasury), with a note of the date of the pensioner's death, "Except in the case of pensioners governed by the Family Pension Rules 1964" in which case the pensioner's portion of Pension Payment Order will be returned to the widow/widower. (Article 959, Civil Service Regulations.)

Doubtful Claims

A Treasury Officer should not undertake on behalf of the claimant any correspondence with any authortty in regard to a claim which he considers to be disputable. When he is doubtful whether a claim should be paid or not, he should take the orders of the Direct of Treasuries and Accounts. When such a case is referred to the Director of Treasuries and Accounts, he may in his discretion, authorize the payment if he is satisfied as to the validity of claim after careful examination of all the circumstances of the case. Whenever the Director of Treasuries and Accounts authorizes payment of a claim referred to him by the Treasury Officer as being a doubtful claim, he should immediately report the facts to the Accountant-General.

Instructions under Treasury Rule 23
Rules Regarding Last Pay Certifictaes

1. The form prescribed for last pay certificates and the rules, according to which they should be prepared, are contained in Appendix 17 A Treasury Officer (or the head of the office in the case of a non-gazetted Government servant) should on on account disburse any pay or allowances to a Government servant to whom he has granted a last-pay certificate unless the certificate is first surrendered.

When a non-gazetted Government servant in an office is promoted to a Gazetted post in another office, the drawing officer of the original office shall draw and disburse his pay and allowances in the non-gazetted post up to the date of his relief and issue a Last Pay Certificate to the Accountant-General/Pay and Accounts Officer, as the case may be. If any arrears of pay consequent on revision of pay are payable to the Gazetted Officer in respect of the period when he hled a non-gazetted post, the arrears should be drawn and disbursed by the same drawing officer under whom he served last in that non-Gazetted post after making a note of it in the office copy of the original bill and a revised Last Pay Certificate should be issued by that drawing officer to the Accountant-General/Pay and Accounts Officer as the case may be.

Note :- The Treasury Officer should invariably refer to the register kept by him in FORM 41-C while preparing the Last Pay Certificate of Gazetted Officers.

CHAPTER VII
RESPONSIBILITY FOR MONEYS WITHDRAWN.
Instructions under Treasury Rule 31

4. **Register of recoveries ;—** Every treasury should maintain a register of recoveries, in Form 106 in which separate pages should be set apart, as may be convenient, for each Government servant or department entitled to draw bills, etc., on the treasury As soon as any order to make a recovery is received, whether through an objection statement or a separate slip, an entry should be made in the register. Before any bill is passed for payment, the register, should be consulted to see whether any recovery has to be made. When any amount is recovered, it should be duly noted in the register along with the number and date of the voucher.

DRAWING OFFIGERS.
Subsidiary Rules under Treasury Rule 32.
Generel Rules Regarding the Form of Vouchers for Disbursements made etc.

S. R. I. A Government servant is responsible for the safe custody of moneys received by him from the treasury for expenditure on behalf of the Government and shall maintain the prescribed accouts for watching the correct disposal of the money (e. g., by disbursement of pay, allowance etc., among the staff) and for checking the cash balance in the office.

S.R. 2. (a) Subject to the provisions of clause (b) below, a Government servant shall obtain, for every disbursement which he makes on behalf of the Government including every repayment of money which have been deposited with the Government, a voucher setting forth full and clear particulars of the claim, using as far as possible the particular form, if any, prescribed for the

purpose, and shall obtain at the time of making payment, either on the voucher or on a separate paper to be attahed to it, an acknowledgment of the payment signed by the payee by hand and in ink. In doing so, he shall observe carefully the directions in ubsidiary rule 2 und er Treasury Rule 16 in regard to the spreparation of vouchers and the stamping of receipts. When possible, he sha ll require the payee to note the actual date of payment in his acknowledgement. When it is not possible for the payee to note the actual date of payment either because he is iliterate or becau e he i s required to present a signed receipt before payment is made, the disbursing officer shall enter the actual date of paym ent on the relevant voucher with his initials either separately f or each payment or for groups of payments, as may be foun d convenient.

If a payee is not able to write, his signature on the acknowledgement, shall be taken in the form of his mark or Preferably his thumb-impression, attested invariably by some known person-See subsidiary rule 2 (h) under Treasury Rule 16.

If a payee signs his acknowledgement in a language other than English he shall be required to write also the amount acknowledged in words in that language in his own handwriting. His acknowledge ment, including the amount acknowledged andany remark made by him, shall be translated into English and his signature shall be transliterated in Roman characters Signatures in Hindi or Tamil need not be transliterated. If a payee cannot sign his name in a script known to the disbursing officer or a member of his staff, or if he can sign in a script known to one of them but cannot write the amount acknowledged in words in it, the procedure applicable when a payee is not able to write shall be followed.

A cash memorandum shall not be treated as a proper voucher (or a valid receipt), unless it contains a specific signed acknowledgment of the receipt of the moneys by the signatory

from the Government servant concerned, and is duly stamped with a ten paise stamp if the amount paid exceeds Rs. 20 or in cases where this in not practicable it is stamped "PAID" and initialled by the drawing and disbursing officer.

Note:— As adjusiment bills for 'Nil' amount involve no payment, it is not necessary to insist upon any acknowledgement of payment in respect of such bills.

S. R. 3. No voucher shall be treated as a valid voucher unless it bears a distinct pay order, specifying the amount payable both in words and in figures separately and signed or initialled, and dated, by hand and in ink by the responsible disbursing officer. Cashiers and other Government servants who are authorized to make payments on passed vouchers shall not make any payment on a voucher unless it bears pay order satisfying these requirements.

Disbursement of Pay and Allowances of Government Servants

S. R. 4 (a) The head of an office is personally responsible for all moneys drawn as pay, leave salary, allowances, etc., on an establishment bill signed by him or on his behalf until he has paid them to the persons who are entitled to receive them and has obtained their dated acknowledgments, duly stamped when necessary. These acknowledgements shall be taken as a rule on the office copy of the bill. When the head of the office concerned considers that an establishment is so large or scattered that the payee's acknowledgments cannot, without undue inconvenience, be obtained on the office copy of the bill, he shall maintain a separate acquittance roll in Form 88 and obtain the payees' acknowledgments in it.

Disbursements out of the Permanent Advance

S. R. 5. Every Government servant who has been granted a permanent advance shall regularly check the correctness of the balance with the help of his contingent registers or, if the advance

is used for other purposes besides meeting contingent expenditure with the help of a register in Form 89 which he shall maintain for the purpose.

Instructions under Treasury Rule 32

Application to Departments Generally

1. **Custody of vouchers and acquittances :-** All vouchers and acquittances are important documents and should be filed and preserved carefully in the office concerned, when they are not sent elsewhere for audit in accordance with the rules.

2. **Cancellation and destruction of sub-vouchers to contingent bills :-** (a) Sub-vouchers to contingent bills should be "cancelled" in such a manner that they cannot subsequently be used fraudulently to claim or support a further payment.

(b) Whenever a drawing officer signs a fully - vouched contingent bill for presentation at the treasury for payment or a detailed contingent bill for submission to the controlling authority, he should at the same time cancel all the sub-vouchers which relate to the bill but are not attached to it and are retained for record in his office He should endorse the word "cancelled" across each such sub-voucher in red ink or by a rubber stamp, and initial it with the date. He should certify on the bill that all the sub-vouchers relating to it other than those attached to it have been so cancelled that they cannot be used again. When the amount of a sub-voucher exceeds the permanent advance, it should be cancelled in the manner described above, as soon as the payment has been made and entered in the contingent register.

Whenever a controlling authority forwards a detailed contingent bill to the Account-General, he should cancel in the manner described above all the sub-vouchers received with the bill but not forward with it to the Accountant-General and should certify on the bill that all such sub-vouchers have been so cancelled that they cannot be used again.

Exception :- In the Electricity Department a drawing officer may authorise the Divisional Accountant to cancel the sub-vouchers to be retained for record in his office. After obtaining a certificate from the Divisional Accountant that he has duly cancelled all such sub-vouchers relating to a bill, the drawing officer may certify on the bill that all such sub-vouchers have been cancelled.

(c) Sub-vouchers which are sent tothe Accountant-General should not be cancelled either by the drawing officer or by the controlling officer. They will be cancelled in the office of the Accountant-General after audit under the rules of the Audit Department.

(d) No sub-voucher should be destroyed until three years have elapsed from the date of the payment. See Article 326 of the Tamil Nadu Financial Code, Volume 1.

PART — III

CHAPTER V — MISCELLANEOUS SUBJECTS

Instructions

Local Funds

1. The expression 'local fund' covers—

(1) the moneys received and administered by a body which, though not part of the Government's departmental organization, has been placed under the control of the Government by a law or a rule having the force of law, whether in regard to its procedings generally or to specific matters, e.g., its budget, creation of particular posts in its service and appointments to such posts, and the leave, pension and other rules applicable to its servants ;

(2) the moneys received and administered by any other specified body when the Government have published a special notification to the effect that they constiture a local fund ; and

(3) the moneys recovered from direct boards for any specific purpose and constituted into a separate fund under any law or rule having the force of law, provided that the fund is specially notified by the Government as a 'local fund'.

The transaction of local funds are not included as such in the Government Account except in so far as their cash balances are deposited with the Government under the rules and accounted for under the deposits head 847 "Deposits of local funds" within the Public Account. Government's function in regard to such deposits is that of a banker.

FLOATING DEBT

Treasury Bills

7. Unless the Government direct otherwise, Treasury Bills will be issued from and repaid at the offices of the Reserve Bank at Madras, Bombay and Culcutta,

Subject as hereinafter provided, the procedure to be observed by the Bank in connection with the sale and discharge of such bills will be governed by such instructions as may be issued by the Government to the Bank.

8. Treasury Bills can be paid on maturity only at the office or branch of the Reserve Bank from which they were issued. After payment the discharged bill should be transmitted to the Accountant-General in the same way as other paid vouchers.

Ways and Means Advances

9. When Ways and Means Advances are taken by the Government from the Bank, the request to the Bank will be accompanied by a demand promissory note for the amount on behalf of the Governor. At the same time the particulars of the advance that is, the amount and the interest payable thereon, should be communicated by the Government to the Accountant General.

10 When notifying a repayment, a copy of the instruction to the Bank should be endorsed to the Accountant-General concerned. The Bank will cancel with promissory note for the advance repaid and make a note on the promissory note if it is part payment. The note on final cancellation will be returned to the Government.

11. Interest on a Ways and Means Advance will be debited against the Government account by the Bank at the time of repayment.

Transactions relating to Governments of other Countries

12. Unless the Government by any general or specific order direct otherwise, a Treasury Officer may not receive or authorize the Bank to receive moneys tendered on behalf of Governments of other countries, nor make or authorize payment of any claims against such Governments that may be presented to him, except under the authority of the Accountant-General.

13. In receiving or authorizing the Bank to receive such moneys and in making or authorizing such payments as aforesaid, the Treasury Officer will be guided generally by the provisions of the relevant subsidary rules and instruction under Treasury Rules 10 and 16, except in so far as they may be supplemented or modified by any general or special instructions issued by the Accountant-General. In all cases of doube, the Treasury Officer should take the orders of the Accountant-General

14. Moneys received into or paid out of the State Government Account in respect of transactions with the Governments of other countries, will be adjusted by payment to, or recovery from, the Governments concerned, by the Accountant-General.

13. In receiving or authorizing the Bank to receive m[illegible]
moneys and in making or authorizing such payments as aforesai[illegible]
the Treasury Officer will be guided generally by the provisions
the [illegible] Compilation, rules and instructions under [illegible]
Rules 10 and 11, except in so far as they may be supplemented
or modified by any general or special instructions issued by [illegible]
Accountant General. In all cases of doubt, the Treasury Officer
should take the orders of the Accountant General.

14. Moneys received into or paid out of the [illegible]
Government Account in respect of transactions with the Govern[illegible]
ments of other countries will be adjusted by payment or
recovery from the Governments concerned by the Accountant
General.

TAMIL NADU FINANCIAL CODE

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CHAPTER II

Definitions

Administrative approval means the formal acceptance by an administrative department of a proposal that the Public Works Department should incur a specified amount of expenditure on a specified work required by, or in connexion with, that administrative department. It amounts to an instruction to the Public Works Department to execute a specified work or works at a specified, cost to meet the administrative needs of the department which requires the work. (of Technical sanction).

Appropriation means the amount provided in the budget estimate for a unit of appropriation or the part of that amount placed at the disposal of a disbursing officer.

Appropration Bill means the Bill introduced in the Legislature to provide for the appropriation out of the Consolidated Fund of the State all moneys required to meet the grants made by the Assembly and the expenditure charged on the Consolidated Fund of the State.

Books adjustment (or book transfer means the entries made in the Government accounts in respect of a financial transaction which does not involve any actual receipt or disbursement of cash or stores by the Government so that a disbursement entered under one head (or heads) is exactly counterbalanced by a receipt under another head (or heads). A book adjustment may represent a transaction between different departments of the Government or a correction in entries already made in the accounts.

Budget estimates are the detailed estimates of the receipts and disbursements of a financial year.

Cash order means an order issued by a Treasury Officer on a sub-treasury within the district for a payment on the Government Account, or for any authorized purpose, of a specified amount to a specified person

Centage charges means, in connexio nwith a work which the Government execute on behalf of another Government, a local body or a private party, the charges, calculated at a percentage rate on the value of the work done, which the Government recover form the party for whom the work is done towards the cost of the establishment and the tools and plants employed on the work.

Cheque means a written order (not expressed to be payable otherwise than on demand) addressed by a person called the "drawer" to a bank or a treasury to pay a specified sum of money to himself or a third party known as "payee", and includes a demand draft drawn on any specified bank or banker (including the Reserve Bank of India).

Consolidate Fund Accounts means the Account of the State - into which the revenues received by the Government, loans or ways and means advances taken by the Government, moneys received by the Governmant in repayment of previous loans, and receipts by issue of treasury bills, are credited and from which the expenditure of the Government, when so authorized by the State Legislature is met.

Contingency Fund Account means the account of the moneys placed at the disposal of the Governor to enable advances to be made by him for meeting unforeseen expenditure pending authorization of such expenditure by the State Legislature under appropriations made by law.

Contract means any kind of undertaking, written or verbal, expressed or implied by a person other than a Government servant or by a syndicate or firm to construct, maintain or repair one or more works, to supply certain stores, or to perform any service in connexion with the execution of a work or the supply of stores.

Contract documents means the documents required in connexion with the giving out of a work on contract (see the Madras Public Works Department Code)

Contractor means a person, syndicate or firm that has entered into a contract with the Government.

Controlling Officer means a head of a department or other departmental officer who is entrusted with the responsibility of controlling the incurring of expenditure and/or the collection of revenue by the subordinate authorities of a department.

Disbursing officer means a Government servant who money from the treasury on bills or cheques, but excludes a Government servant who is not the head of an office and draws only his own pay and allowances from the treasury.

Public Account means the Account into which all moneys other than those mentioned in the Consolidated Fund Account and the Contingency Fund Accounts, received by or on behalf of the Government, are credited and form which disbursements are made in accordance with the prescribed rules.

Unit of appropriation means the lowest account head under which the Government place a specific appropriation at the disposal of the spending authority concerned.

Re-appropriation means the transfer of saving in the appropriation for a unit of appropriation to meet excess expenditure anticipated under another unit.

CHAPTER III
Receipts, their Collection and Check

General

Art. 7. The items of Government revenue with which departmental authorities deal include the land revenue, the proceeds of State taxes and duties, the charges made for supplying water from Government sources for irrigation, etc., and for supplying electric power, other fees for services rendered, fines and penalties, the revenue from the Government estates such as forests, and other miscellaneous items.

8. Every Government servant who is responsible for the collection of any moneys due to the Government should see that demands are made at once as payments become due, that effective steps are taken to ensure the prompt realization of all amounts due and that proper records are kept to show in respect of all items of revenue, whether recurring or non-recurring, the assessments and demands made, the progress of recovery and the outstanding amounts due to the Government. Every departmental controlling officer should watch closely the progress of the realization of the revenues under his control and check the recoveries made against the demands. He should also check the correctness and promptitude of the remittances in the course of his independent verification of departmental credit with reference to the copies of triplicate chalans see to the departmental officers by the treasury officers.

Recoverable charges

Art. 12. When the Government agree to render a service to, on incur a charge on account of a local body and other pubilc

body not forming part of the Government's departmental organization or a private body or person, the estimated amount of the charge or cost of the service should ordinarily be recovered in advance (see also Articles 24 and 308).

Rents of Government buildings due from Government servants

Art. 13. When a building is constructed or acquired for use as a residence, or additions or alterations are made in an existing residential building, the Government servant in charge of the building should prepare a statement of data for the calculation of the rent leviable in accordance with the provisions of the Fundamental Rules and obtain through the Accountant-Genera the orders of the Government or other competent authority in regard to it.

Art. 14. The responsibility for the recovery of rent in respect of any Government building in charge of a department other than the Public Works Department or Highways and Rural Works Department as the case may be which is wholly or partially used as a residence rests on the departmental officers concerned. In respect of any similar building in charge of the Public Works Department or the Highways and Rural Works Department, the responsibility rests mainly on the Executive Engineer or the Divisional Engineer respectively of the division concerned in which the building is located, but the head of the office in which the tenant is employed and the Treasury Officer or other officer who disburses his pay also bear some responsibility in the matter.

(b) The Excecutive Engineer or the Divisional Engineer as the case may be should prepare in Form I in duplicate a demand statement of rents due from Government servants in respect of Government buildings used as residences, and sent it to the Treasury Officer or other disbursing officer a week before the last working day of the month.

(c) On receipt of the demand statement of rents, the Treasury Officer or other disbursing officer should recover the

amounts stated to be due from the next bills in which the Government servants concerned draw pay, without any previous reference to them and should then note in column (6) of both the copies of the demand statement.

Art. 33. A refund order should be signed by the Government servant, who received and brought to account the item of revenue in question. He should also, in accordance with the rules governing each particular class of refunds, either pay the amount to the person entitled to receive it or cause a proper voucher made payable to that person to be delivered to him for presentation at the treasury for payment. When the Government servant who received the item of revenue in question is not competent to refund the amount without the sanction of a higher authority, he should apply for the necessary sanction separately before preparing the refund order. If the Government servant, who received the item of revenue is competent to sanction a refund and does so, he may either record his sanction on the voucher itself or record it separately, giving a reference to it on the voucher and attaching a certified copy. If sanction is obtained from a higher authority, the latter procedure should be followed.

Art. 34. Before signing a refund order in respect of an item of revenue, the Government servant who received it and brought it to account should trace the original records relating to the receipt of the amount and see that the particulars of the refund are recorded against the original entry of the receipt in the departmental accounts in such a way as to make it impossible to entertain by mistake any further claim for a refund of the same amount. The particulars of the refund should invariably be recorded on the counterfoil of the receipt previously granted to the payer, and that receipt (and any other acknowledgment granted to the payer) should, if possible, be taken back and destroyed.

Time-limits for claims for refunds of revenue

Art. 35. Refunds of revenue may be classified as follows:-

(a) refunds of revenue which are made ex-gratia, although the Government are under no legal obligation to make them, and

(b) refunds of revenue to which the claimants are legally entitled.

An application for a refund of revenue of the kind mentioned in clause (a) above should invariably be summarily rejected if it is received—

(i) when a notice has been issued to the party concerned, after three months from the date when the party received the notice; and

(ii) in other cases, after one year from the date of credit of the revenue to the Government.

CHAPTER IV

Expenditure

General Principles and Rules

General principles

Art. 38. As has been stated already in Article 8 no Government servant may incur any item of expenditure from public funds unless the following two conditions are both satisfied :-

(a) the expenditure must have been sanctioned by a general or special order of the authority competent to sanction such expenditure, and

(b) sufficient funds must have been provided for the expenditure in the Appropriation Act (s) for the current financial year or by a reappropriation of funds sanctioned by a competent authority.

No authority subordinate to the Government should sanction any expenditure unless sufficient funds have already been provided for the purpose either in the Appropriation Act (s) or by reappropriation.

Lapse of Appropriations

Art. 39. All appropriations lapse at the close of the financial year A Government servant should not on any account reserve or appropriate by transfer to a deposit or any other head or draw from the treasury and keep in a cash chest any portion of an appropriation remaining unexpanded during the year in order to prevent it from lapsing and use it for expenditure after the end of the year. No attempt should be made to prevent the lapse of an appropriation by any undue rush of expenditure during March.

Communication of sanction

Art. 45. A copy of every order sanctioning expenditure should be communicated tothe AccountantGeneral by the authority which accords the sanction. If the sanctioning authority is the Government, the copy of the order intended for the Accountant-General should be sent to him through the Finance Deaartment in all cases in regard to which that department has been consulted.

When the head of a department or any other subordinate authority issues an order sanctioning expenditure, either the sanctioning authority itself or a gazetted Government servant working in the office of that authority should ordinarily communicate the order to the Accountant-General. When this procedure would cause inconvenience, sanctions may be communicated over the signature of the non-gazetted Government servant who is the head ministerial officer of the office, i.e., Head clerk, Superintendent, Manager, etc., as the case may be, provided that this arrangement is intimated before hand to the Accountant-General by the sanctioning authority.

Note 1 :- Financial sanctions and advance copies of notifications in respect of appointments, promotions, transfers, etc , communicated to audit should invariably be signed in ink by the sanctioning officers authorised for the purpose. No action will be taken in audit on such copies issued over fascimile and cyclostyled signature of the sanctioning authorities or other authorised officers.

Note 2 :- Copies of sanctions relating to objections Book Advances and Festival Advunce where the sanctioning and bill drawing officers are one and the same need not be sent to the Accountant-General in advance but may be enclosed to the bills in which the amounts are drawn.

Date of effect of sanction

Art. 49. Statutory rules made by the President of the Union take effect from the date on which they are passed and

executive orders issued by the President take effect from the date of issue of the despatch, letter or telegram containing the orders.

Statutory rules made by the Government which are required by law to be published take effect from the date on which they are published in the manner if any, specified in the relevant Act, or, if no special mode of publiction is laid down, from the date on which they are published in the Fort St. George Gazette. Statutory rules made by the State Government which are not required by law to published take effect from the date of the order issuing the rules. A sanction of the Government or an authority subordinate to the Government takes effect from the date of the order conveying the sanction.

Lapse of sanction

Art. 50. A sanction for any fresh charge accorded by the Government or an authority subordinate to the Government lapses if it has not been acted on for a year, unless it is specifically renewed.

Arrear claims

Art. 52. No claims against the Government not preferred within a year of their becoming due can be presented without an authority from the Accountant-General.

Note 1. :- No claim for travelling allowance will be entertained if it is made after three months from the date on which the claim has fallen due. Countersigning officers should refuse to countersign bills presented after this period. In the case of journeys on transfer made by self, family and personal effects on different dates, the claim for travelling allowance admissible for each journey undertaken separately should be deemed to fall due on the completion of each such journey. However, in respect of journeys performed by members of the Legislature and non-official members serving on Government Committees and by others, who are not Government servants, in connexion with

Government business, the time-limit shall be one year from the date of completion of the journey.

Note 2 :- Belated claims on account of pay and allowance other than travelling allowance of non-gazetted Government servants, whose names are not required to be shown in the pay bills, should not be made, unless the claims have been examined and sanctioned by the competent authority, on the same lines as for claims requiring investigation by audit.

Note 3. :- Claims for reimbursement of medical expenses incurred by Government servants should be made to Government as soon as possible after completion of medical treatment and in any case not later than time limits indicated below :-

Government servants	Time-limit
Member of the All-India Service	Six months the date of completion of treatment to shown in the essentiality certificate of the Authorised Medical Attendant or Medical officer concerned.
Member of stand and Subordinate Services	Three months from the date of completion of treatment as shown in the essentiality certificate of the Authorised Medical Attendant or Medical Officer concerned.

If the treatment lasts for more than a month, the claim, may be preferred once a month.

Art. 54. Note (v) :- A claim for reimbursement of medical expenses, is liable to a discount of 15 percent if it has remained in abeyance for over the time limit prescribed in "Article 52".

Art. 55. Payment of a claim which is barred by limitation of time under any provisions of law relating to such limitation

should ordinarily be refused No payment should be made on account of any such claim without the special sanction of the Head of Department and no such claim should be referred to the Accountant-General for pre-audit unless the Head of Department has already specially sanctioned the payment of the claim subject to its being found to be correct on pre-audit by the Accountant-General. The Accountant-General will refuse to investigate any such claim unless the Head of Department has already specially sanctioned the payment of the claim subject to its being found to be correction on pre-audit. As this delegation is subject to the provisions of Article 54, claims which have remained in abeyance for over six years cannot be paid without the special sanction of Government.

The period of limitation for arrear claims againts the Government of the following kinds is normally three years from the date on which the amount claimed first became due for payment :-

(1) Pay and allowance, including leave salary.

(2) Pensions.

(3) Travelling allowances.

(4) Payments made in contingent bills for supplies made or services rendered to the Government

If, however, the delay in making aclaim in the first instance under any of the items (1), (2) and (3) above is due to a mistake, the period of limitation is three years from the date on which the mistake was discovered. When a claim under item (4) is made with reference to a contract in writing registered, the period of limitation is six years from the date on which the amount first become due for payment.

Over charges and audit objections

Art. 56. Every Government servant who draws bills for pay and allowances or contingent expenses is primarily responsible for the correctness of the amount for which each bill is drawn.

If any amount is drawn in excess of what is due, the drawing officer will be required to make good the excess amount so drawn. If the excess amount cannot for any reason be recovered from the drawing officer, the Government servant, if any, who countersigned the bill will be liable to make good any loss arisinr from culpable negligence on his part and the Treasury Officeg who passed it will be similarly liable to make good any loss arising from culpable negligence on his part.

Note :— (2) Recovery of over payments made to Government servants should not be waived merely on the ground that the overpayment was made in good faith and that recovery would cause hardship

Art. 57. The Accountant-General is responsible for the auditing of all expenditure charged against the Government. If any items of expenditure is found to be irregular or in excess of what is due, he proceeds, remove the irregularity or recover the excess amount paid through the Treasury Officer, and he usually issues a warning slip to the drawing officer concerned at the same time. Recoveries relating to the Forest Department are effected through the District Forest Officer and not through the Treasury Officer. When an item of expenditure incurred is less than what is actually due for payment and the amount involved is not insignificant, the Accountant-General informs the drawing officer of the fact, leaving him to prefer an additional claim or not as he thinks proper.

Art. 59 Every Government servant should give proper-attention to all objections and orders received from the Account-General without any available delay.

Ard. 60. An admini trative authority should not ordinarily consider any representation or protest against a recovery ordered by the Accountant General unless the representation or protest is received within three months from the date when the Government servant making representation received the first intimation of the order.

CHAPTER V

Establishments, Claims of Government Servants and Recoveries from the

Powers of the Government to create and abolish posts

Art. 62. The Government have power to create or abolish any post in connexion with the affairs of the State, but under Article 312 (1) of the Constitution of India, the Parliament may by law provide for the creation of one or more All-India services common to the Union and the States and regulate the recruitment, and the conditions of service of persons appointed to any such service.

Proposition statements

Art 67 (a) A proposal to add to or modify an existing establishment should be accompanied by a proposition statement on duplicate in Form 2 if it involves a general revision of establishment or if it cannot he set out clearly without a proposition statement.

A proposal to add to or modify an existing establishment which involves creating or abolishing a post or granting or abolishing an addition to pay so as to require the sanction of the President of the Union should be accompanied by a proposition statement in duplicate in Form 2 or Form 3, whichever is more suitable.

(b) No proposition statement is required in the following cases :-

(i) When the new scheme proposed involves no change in establishments except the creation of a post or posts the like of which does not yet exist.

(ii) When an additional establishment is proposed solely for famine work and its cost is to be a direct famine charge.

(iii) When an additional establishment is proposed solely for work connected with an outbreak of plague and its cost is to be a direct plague charge.

(iv) When the proposal involves only the retention, without alteration, of an existing temporary establishment for a further period.

(v) When the proposal is solely for the grant of a compensatory allowance, a special pay or a personal pay to a member or members of an existing establishment, or solely for a change in the designation of an existing post, and does not require the sanction of the President of the Union.

Verification of proposition statements by the Account-General

Art. 69. The proposition statement or the proposal for the revision of an establishment should be forwarded to the Government through the Accountant General. He should verify the present scale or state the present cost.

(iii) Claims of Government Servants

Due date for payment of pay allowonces, etc

Art. 72 (a) Except as provided in clauses (b), (c) and (d) below, pay, leave salary and other monthly recurring payments become due for payment only on the expiry of the month to which they relate, and no such payment should be made before the first working day of the next month.

(d) The payment due for a part of a month should ordinarily be made at once without waiting till the end of the month in the following circumstances :-

(1) When a Government servant proceeds out of India on deputation, leave or vacation, and does not elect to draw leave salary in India under the provisions of Fundemental Rule 9.

(2) When a Government servant is transferred to another Audit Circle, or within the same Audit Circle and—

from one department to another, so that there is a change in the controlling authority, or

to or from famine duty.

(3) When a Government servant is promoted from a non-gazetted to a gazetted post or reverted from a gazetted to a non-gazetted post in circumstances involving a transfer from one office to another.

(4) When a Government servant finally quits the service of the Govrenment or is transferred to foreign service

Signing and presentation of pay bills

Art. 73. Drawing officers should not sign pay bills earlier then is reasonably necessary in advance of the date of presentation at the treasury so that supplemental adjustments due to changes after the monthly pay bills are signed may be reduced to a minimum.

Drawal of an increment in pay

Art. 75. The drawing officer should attach an increment certificate (in the prescribed form and signed by the competent authority) to every bill on which a periodical increment in pay for a Government servant is drawn for the first time (See subsidiary rule 13 under Treasury Rule 16). He should keep a copy of every increment certificate for record in his office. The drawing officer should also furnish an additional certificate, signed by the competent authority to sanction the increment, stating that the subordinate concerned completed probation satisfactorily on a specified date indicating also whether he is a direct recruit or a promotee.

Pay due India to persons not in India

Art. 76. When any pay is due in India to a Government servant who is absent from India, he should make his own

arrangements to receive it in India See also instruction I (d) under Treasury Rule 19.

Pay, etc, due to a deceased Government servant.

Art. 80. (a Pay, leave salary and other emoluments can be drawn for the day of a Government servant's death; the hour at which the death takes place does not affect the claim.

(b) (1) Subject to the provisions of subsidiary rule 34 under Treasury Rule 16 of Madras Treasury Code, Volume I, pay and allowances of all kinds claimed on behalf of a deceased Government servant may be paid without the production of the usual legal authority :—

(i) if the gross amount of the claim does not exceed Rs. 2,500 under order of the head of the office, in which the Government servant was employed at the time of death, provided that the head of the office is otherwise satisfied about the right and title of the claimant; and

(ii) if the gross amount of the claim exceeds Rs. 2,500 under orders of the Government on execution of an indemnity bond in Form 6 duly stamped with such sureties as may be necessary :

Provided that, the authority mentioned in clause (i) above may, subject to the conditions prescribed in that sub-clause, make anticipatory payment of an amount not exceeding Rs. 2,500.

(2) In any case of doubt, payment shall be made only to the person producing the legal authority.

Pay due to a Government servant whose whereabouts are unknown.

Art. 81. Pay, etc., due to a Government servant whose whereabouts are unknown should not be paid till a presumption of his death is shown to be justified under section 108 of the Indian Evidence Act, 1872 (India Act I of 1872) Action may

then be taken as described in Article 80 (b) on the assumption that he is dead, if anyone claims the undisbursed pay, etc., in the capacity of legal heir of the Government servant.

Advances of travelling expenses for tours

Art. 84. When satisfied that it is really necessary, the competent authority may grant to a Government servant included in the list shown below an advance towards the travelling expenses during a journey on tour, including any journey for which travelling allowance is admissible as for a journey on tour (see also Article 100).

When a Government servant has drawn an advance of this kind, the second advance shall not be granted under this rule until an account has been given of the first. In the case of Gazetted Officers who are authorised to draw their travelling allowance claims without counter-signature, the adjustment travelling allowance bill should have been presented at the treasury/the Pay and Accounts Office and the balance, if any, of the advance remitted into the Treasury/Bank at the time of presentation of the bill for the second advance.

In the case of gazetted officers and non-gazetted officers drawing their own travelling allowance claims which are subject to the countersignature of Controlling Officer, a certificate from the sanctioning authority that an account of the first advance has been rendered to the Controlling Officer should be attached to the bill for the second advance. The sanctioning authority should make sure before granting the second advance that an account of the previous advance has been rendered to the Controlling Officer.

In case of non-gazetted officers, whose travelling allowance claims are drawn by the head of the office he should certify in the bill for the second advance, that he has received an account of the first advance. The advances should be drawn in Form 22 in the case of both gazetted and non-gazetted Government servants and full particulars referred to in the certificates therein should be

furnished at the time of presenting the bills for such advances. All drawing officers should maintain a register in Form 23 for recording the advances paid and the recoveries made with a view to watching the eventual adjustment of the advances.

Treasury Officers also should maintain a register in the same form for recording the advances paid to gazetted officers and the recoveries made against them. This register should invariably be looked into for previous advances, if any, paid before passing bills for tour advances, of gazetted officers.

(iv) Deductions from Pay Bills of Government Servants Fund deductions.

Art. 85. Every Government servant who draws any pay bill should enter in it correctly the deductions, if any, to be made on account of the various provident and family pension funds, etc., He should carry out promptly and fully any order received from the Accountant-General or any other audit officer of a fund to make a particular deduction or series of deductions. To avoid irregular subscriptions to the provident fund, the disbursing officers and in the case of Gazetted Officers, the heads of offices should account number, subscriptions made by them, change in the rates maintain a register showing the names of all subscribers, their of subscription, discontinuance of subscriptions, etc. A new subscriber should be brought on to the register immediately. The monthly schedule to be appended to the pay bill should be prepared with the assistance of this register and the amount shown in the schedule of Fund deduction should be tallied with the deduction actually made in the pay bills before the submission of the bills to the Treasury for payment. Necessary information should be furnished in the last pay certificate when a subscriber is transferred to another office.

Attachment of pay and allowances by civil courts

Art. 87. (a) The extent to which the emoluments of a Government servant are exempt from attachment for debt is

specified in section 60 (1) of the Code of Civil Procedure, 1903 (India Act V of 1908), as subsequently amented. The following are the relevant provisions of the section ; they apply to attachments in respect of suits filed on or after the 4th September 1963 :—

60. (1) The following property is liable to attachment ...... in execution of a decree ......

Provided that the following particulars shall not be liable to such attachment ...... namely :—

(i) salary to the extent of the first two hundred rupees and one-half the remainder, in execution of any decree other than decree for maintenance.

(1) (a) "One third of the salary in execution of any decree for maintenance" :

Note :— The following allowances have been declared by the Government to be exempt from attachment by order of a Court, namely :—

(i) All kinds of travelling allowances.

(ii) All kinds of conveyance allowances.

(iii) All allowances granted for meeting the cost of –

(a) Uniforms, and

(b) Rations.

(iv) All allowances granted as compensation for higher cost of living in localities considered by the Government to be expensive localities including hill stations.

(v) All house-rent allowances.

(vi) All allowances granted to provide relief against the increased cost of in.

(vii) All amounts paid by way of reimbursement of medical expenses.

(b) The maximum amount attachable by a civil court is calculated on the amount earned and not on what remains after satisfying any debts due to the Government on account of advances taken under the rules.

CHAPTER VI

Contingent Charges

Definition

Art. 91. The term "contingent charges"or "contingencies" is applied to the incidental expenditure which isnecessarily incurred in running an office. The main items are common to most offices. e. g., expenditure on furniture, books and periodicals, service postage and telegrams, bicycles, electric current, cleaning charges, customs duty on imported stores, freiget and tour charges. It includes also incidental expenditure which is required for technical or other special reasons in the working of particular offices and departments, e.g., expenditure on clothing and other equipment in such departments as the Jail and Police Departments, rewards paid to non-officials, diet and road money paid to prosecutors, witnesses, jurors and assessors, law charges, dietary and Medical charges in jails and hospitals, purchase of plant, machinery and laboratory equipment in colleges and schools, raw materials for conversion into manufactured articles in the Jail Department, workmen's wages, purchase of livestock for the manufacture of sera and vaccines, and similar items.

The contingencies of special offices in the Public Works Department include also expenditure on the supply of and repairs to tools.

Permanent advances

Art. 94. As a general rule, a Government servant is only permitted to draw money from the treasury on presenting a proper voucher prepared in accordance with the rules so as to show the precise nature of the expenditure, and as a genera lrule no money may be drawn from the treasury until it is required for immidiate disbursement. The permanent advance system is an exception to

these general rules. Unforeseen expenditure often has to be incurred urgently, and it would sometimes be very inconvenient to postpone such expenditure whilst fulfiling the formalities ordinarily required for drawing money from the treasury to enable him to make disbursements of this kind before drawing thenecessary bills, a Government servant may be granted a permanent advance'' he amount of which should be limited to what is absolutely-tessential to meet his ordinary requitements.

Art. 95. The permanent advance of a head of a depart ment has to be fixed and sanctioned by the Govenment. Unless the Government direct otherwise, the head of department may sanction the grant to a Government servant serving under him of a permanent advance not exceeding the amount which the Accountant-General, considers appropriate. Theauthorization ofr the Accountant-General, Madras, should be obtained for the initial drawal of the permanent advance. Where, the amount finally fixed exceds the inital amount sanctioned provisionally, the authorisation of the Accountant-General should be obtainej for the difference between the amount originally sanctioned and that finally fixed.

Art. 96. Application for the inital grant of a permanent advance or of the revision of the amount of the existing permanent advance should be submitted to the authority competen to sanction it through the Accountant-General, Madras. The application for an initial advance. should be accompanied by a statement of financial forecast of contingent expenditure which is to be met from the permanent advance based on the contingent allotment of the office and other factors, e.g., conveyance facilities, special items of contingent expenditure peculiar to the office aproximity to the railway station, availability of co-operative marketing facilities, etc., The Accountant-General will check the appropriateness of the amount of advance applied for. In the order sanctioning an initial advance, the sanctioning authority should instruct the drawing officer to send through him to the

Accountant-General a statement showing datewise details of expenditure met out of the advance for a period of three months from the date of drawal of the advance, giving reference also to the relevant vouchers in which the expenditure stands included. The Accountant-General will scrutinize the three monthly statements of expenditure fix the advance finally, having regard to the average monthly expenditure.

Art. 97. No permanent advance should be granted unnecessarily and no such advance should be larger than necessary in view of the obvious objections to the retention of money out side the treasury. A permanent advance sanctioned for the use of the head of an office should be so fixed as to meet the need of every branch of his office; any amounts required by his subordinates should be allotted from his advance and acknowledgements taken from them in a form similar to that in which he furnishes acknowledgements himself to the Accountant-General.

Recoupment of permanent advance

Art. 106. At the end of each calendar month and also when, in the course of a calendar month, a transfer of charge takes place or it is found necessary to draw money for contingent expenses, e.g., when the balance of the permanent advance in hand has become incoveniently small, the cashier should rule a red-ink line across the page of the register or registers referred to in Article 103 add up the several columns and post the several totals for the different classes of contingent charges in the bill or bills. The forms of the bill for countersigned and non-countersigned contingencies respectively and the instructions to be observed in preparing the bills are laid down in the MadrasTreasury Code (See subidiary rules 18 and 19 under Treasury Rule 16). The cashier should then lay the bill with the sub-vounchers and registers before the head of the office, or the gazetted Government servant whom the head of the office has authorized to incur contingent expenditure under Article 93 (b) and to sign contingent bills for him. The head of the office or the gazetted Government servant

acting for him should carefully scrutinize the entries, initial each entry in the contingent register if this has not already been done, and sign the bill, if it is in order, and also the separate certificates, if any. He should also invariably make suitable entries on the original sub-voucher to show that they have been paid, so that it will be impossible to use them in support of a second claim, and he will be held personally responsible if a second payment is made in respect of any item on account of his not carrying out this instruction properly The cashier will then date and number the bill and present it at the treasury for payment.

Art. 107. (a) When the permanent advance is running short and a payment which exceeds the balance of the advance is due to be made, the amount of that payment may be entered in the contingent register with the number that the sub voucher will bear when the payment has been made and included in the bill. The payment should be made immediately after the bill is cashed.

Temporary advances for specific purposes.

Art. 99. When a temporary advance is considered necessary for the purpose of meeting contingent expenditure of a specified kind or on a specific occasion and it is not covered by standing sanction given by the Government, an application for sanction should be submitted to the Government.

Classification of contingent charges

Art. 102. For purposes of control and audit, contingent charges are grouped as follows:–

(1) countersigned contingencies, and
(2) non-countersigned contingencies

Countersigned contingencies

"Expenditure incurred by a Government Servant on countersigned contingencies is under the direct control of a higher authority, known as the controlling officer or authority, who countersigns the bills Countersigned contingencies require counter

signature before payment. The contingent bills with full details of charges duly entered therein are submitted along with the supporting sub-vouchers tot he con rolling authority for scrutiny and countersignature After countersignature, the bills shall be returned to the drawing officer for being presented at the treasury''.

Non-Countersigned contingencies

No detailed bills are sent to the controlling authority for non-countersigned contingencies; each contingent bill for non-countersigned contingencies presented for payment at the treasury should therefore contain full details of the expenditure, and the sub-voucher for any individual payment exceeding Rs.500 included in the bills should be attached to it. Such bills are sent straight to the Accountant-General for audit without any scrutiny by a controlling authority, and the contingencies in this category are therefore also called audited contingencies.

Contingent charges should be recorded and treated in the accounts as charges of the month in which they are actually disbursed from the treasury.

Contingent register.

Art. 103. Every item of contingent expenditure, whether the charge is to be countersigned or not, should be recorded in a register to be maintained in each office. Separate registers may be opened, if convenient, for the countersigned and the non-countersigned contingencies, respectively. The unit for these registers should be the major head of account, and the general arrangement should be as in Form 7. The number of columns to be opened in the register, the sub-heads of appropriation and detailed account heads to be included, and the further detailed classification, if any, required for purposes of control and audit, cannot be the same for all departments and offices. The controlling authority should pass orders on these points, in consultation with the Accountant-General, in the manner best

suited to the conditions of each department or office. The accounts maintained at the treasury and by the Accountant-General contain no further details beyond the figures under detailed account heads, but the contingent register should show the expenditure classified in detail under the several items falling under a detailed account head for departmental purposes, e.g., the preparation and check of contingent bills, the preparation of estimates, and financial control both by the head of the office and by superior authorities (see Article 118).

Art. 105. (a) Advances made from the permanent advance, such as advances to peons for railway fares, advances for office expenses in camp, etc. should be entered at once in the proper column of the contingent register, i.e., the column headed "Advances". When each advance is subsequently adjusted, the fact should be noted in the remarks column.

(b) The amound of bills paid by book-transfer should be entered in the contingent register in ret ink, and the balance available should be reduced accordingly.

Endorsement of contingent bills in favour of private parties etc

Art. 114. (a) When a contingent charge of not less than Rs. 75 is payable to a single private party and the amount cannot conveniently be provided from the permanent advance, a separate contingent bill should ordinarily be prepared for the amount and endorsed for payment to the party concerned, whether he resides in the district in which the claim arises or not. This procedure is not applicable when the funds required for contingent expenditure are, obtained by drawing cheques on the treasury, or when a Government servant in mufassal has to pay for a purchase in Madras city.

Inter-departmental transfers

Art. 115. The conditions under which a department of the Government may make charges for services rendered or articles

supplied by it and the procedure to be observed in recording such charges in the accounts are given in Chapter 4 of the Madras Account Code, Volume I.

In the case of work done by a Government factory (such as jail or workshop) or other authorized transfer, the officer in charge will, if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done, and forward it in triplicate to the officer served, who, on approving the invoice, will countersign all, and return one copy to the supplying officer. Another copy he will file in his own office, and the third he will attach to the contingent bill for the current month, noting the amount in the stetement of account.

Rates and taxes

Art. 120. The following rules govern the payment of municipal and other local taxes on buildings, etc., occupied by departments of the Government or Government servants under their administrative control :—

1. **Taxes on building not occupied as residences:—** (a) If the building is occupied by a single department, that department should pay the taxes.

(b) If the building is occupied by more than one department, or if the taxes are payable in a lumpsum for a number of buildings in a municipal or other local area, the taxes should be paid by the Revenue Department if it is one of the occupants, and otherwise by the Government department which occupies the major portion of the building, as decided by the Superintending Engineer in any case of doubt.

(c) No municipal tax is payable on a public building situated in a cantonment.

2. **Taxes on buildings occupied as residences:—(a) The** taxes on Govenment buildings occupied as residences, including

those occupied by the Governor and his staff, should be paid by the Public Works Department or other department in administrative control of the building The portion representing taxes in the nature of property or house-tax should be treated as part of the cost of maintenance of the building, and the rest, if any, should be recovered from the occupants.

Vacancy remissions:-(a) Whenever a Government building (residential or non-residential) is likely to fall vacant, the occupant of the building immediately before the actual vacancy occurs or the head of the office to which the occupant belongs should arrange to give notice of the vacancy, on the date on which it falls vacant, direct to the chief executive anthority or the Corporation of Madras or of the municipal council or of the panchayat concerned, as the case may be, and send a copy of the notice simultaneously to the Executive Engineer/the Divisional Engineer to enable him to claim any permissible remission of taxes.

CHAPTER VII

Stores

Authorities competent to purchase stores.

Art. 123. Expenditure on stores is included under contingent expenditure (except when it is treated otherwise, e.g., stores relating to works expenditure) and, therefore, subject generally to the rules contained in the previous chapter, which govern such expenditure.

7. Tenders should be obtained—

(1) by advertisement ("open tender");

(2) by direct invitation to a limited number of firms ("limited tender") or

(3) by invitation to one firm only ("single tender" or "private purchase").

8. The "**open tender**" system, i.e., invitation to tender by public advertisement should, however, be used as a general rule and must be adopted, subject to the exceptions mentioned in instructions 13 and 20 under this rule, whenever the estimated value of the order to be placed is Rs. 25,000 or over.

9. The "**limited tender**" system should ordinarily be adopted whenever the estimated value of the order to be given is less than Rs 25,000 and more than Rs. 10,000.

11. The "**single tender**" system may be adopted in the case of a small order, or when the articles required are of a proprietary character and competition is not considered necessary. For this purpose, a small order means order the value of which does not exceed Rs. 10,000 or, if more than one kind of article is ordered at one time, an order the total value of which does not exceed Rs. 10,000.

Stock accounts of office furniture and stores

Art. 135. Every head of an office should maintain a stock account of furniture and all other office stores books. forms and stationery) in Form 10 showing the number received, the number disposed of (by transfer, sale, loss, etc.) and the balance in hand for each kind of article separately. When an office is large and the furniture, etc., is kept in several rooms. the head of the office may have an inventory of the furniture, etc., kept in each room hung up in the room and kept up to date in order to facilitate the annual verification of stock and fix the responsibility for any loss that may occur

Every head of an office should also maintain stock accounts for forms and stationery in accordance with the rules in the Stationery Manual, and also a register of books belonging to the office.

Art 138. Stores should be issued, as for as possible on indents passed by a Government servant who has been duly authorized to pass them Every issue should be recorded in the stock account at time when it is made.

Inspection of stores

Art. 139. No Government servant should hold stores in excess of the amount likely to be required during a reasonable period.

Unserviceable stores

Art. 140. Subject to any special orders issue by the Government in particular cases, stores, which have become unserviceable in the ordinary course or by fair wear and tear may be condemned by the authority competent under Article 123 to sanction the purchase of new stores to replace them He should record the full reasons for condemning the stores in his order, and add a certificate to the following effect :—

"Certified that I have personally satisfied myself that each item written off in these proceedings has become unserviceable in

the ordinary course, through proper usage or by fair wear and tear".

Art. 141. (a) The authority referred to in the preceding Article may also condemn stores found at any time to have become unserviceable otherwise than in the ordinary course or by fair wear and tear (e.g., by avoidable carelessness, neglect or misuse), but this should not be done until after their value has been written off by the authority competent to write off a loss of cash equivalent to their value under Article 297 and item 1 in Part A of Appendix 21.

(b) When any stores become unserviceable or depreciate otherwise than in the ordinary course or by fair wear and tear their value or the amount of such depreciation, as the case may be, should be treated as a loss to the Government within the meaning of Article 294 and the procedure prescribed there should be strictly followed in reporting any such loss.

The following general instructions should invariably be followed by all Officers entrusted with the disposal of stores :—

(i) Where the articles are sold by public aution, the head of the office or any other gazetted officer should invariably attend the auction and record the final bids.

(ii) The head of the office or any other gazetted officer, should also be present when the articles sold are released, his presence being most essential when the release of the articles takes place some time after the action or when in involves processess, such as weighment, etc.

Verification of stores

Art. 143. All stores should be verified periodically in the manner prescribed for each department and at least once a year.

Subject to any special rules or orders, a Government servant who is in charge of any expendible stores and raw materials should check them at least once a year and send a

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verification report to the controlling authority. The latter should also check the stock accounts when inspecting the office.

As far as possible, the verification of large stocks and stocks of important stores should be entrusted to a responsible officer who is Independent of the superior executive officer in charge of the stores. Stores should always be verified in the presence of the officer responsible for the custody of the stores or of responsible person deputed by him to watch the verification.

Deficiencies found on verification of stores

Art. 145. A deficiency detected during a verification of stores may be due to –

(1) incorrect or careless accounting.

(2) loss arising from fraud. theft. or negligence.

(3) an unavoidable cause, e.g., wastage, shrinkage and spilling in the case of stores which are subject to them.

The head of the office or institution concerned should fully investigate the cause of any deficiency and send a full report on it to the controlling authority along with the verification report. If he holds that any loss caused to the Government through a deficiency is due to misconduct or culpable negligence on the part of any Government servants concerned. he should add his recommendation as to how the loss should be made good by recoveries from them The controlling authority should, after such examination and investigation as the importance of the case warrants, issue, or obtain from the competent authority, an order to write off the deficiency from the stock accounts. On receipt of this order the deficiency should be charged in the stock accounts with a note quoting the authority. If any recovery ia ordinary, a note should be recorded in the stock accounts when each amount is actually recovered.

Any excess detected during stock-taking should, after investigation, be entered in the stock accounts at once as a receipt with the remark "excess found on stock verification". No special orders are necessary for this.

CHAPTER VIII

Works

Definition and classification of "Works"

Art. 147. The term "works" covers not only works of construction and repair of buildings, roads, irrigation projects, etc, but also the manufacture, supply, carriage and repair of tools and plant and other stores required in connexion wiih works incidental to them Works are primarily classified under the two categories. "Original Warks" and "Repairs and Maintenance".

Original works include all new construction, whether of entirely new works or of additions and alterations to existing works, reconstruction of entire structures necessitated by wear and tear or damage due to some calamity, and all repairs to newly purchased previously abandoned buildings required to make them usable.

Repairs and maintenance include all the operations required from time to time maintain existing properties in a satisfactory state and make good the damage due to wear and tear, when complete reconstruction is not necessary. Repairs are furthes classified as "ordinary repairs" and "special repairs". Ordinary repairs include the periodical repairs which are done regularly as a matter of routine and are usually of the same nature (e.g., painting or whitewashing a building, or spreading a new coating of metal on a road), and any occasional petty repairs required from time to time, which may have to be carried out between the times fixed for the periodical repairs. Ordinary repairs to an irrigation work include all the operations required to maintain the work in a satisfactory state as it is, i e., to the standard already laid down Special repairs are repairs which are not periodical or frequent, e.g., resroofing a building replacing beams or renewing

a floor. Special repairs to an arrigation work include all operations undertaken with a view to maintaining the work in a better condition, i e., to a higher standard than that already laid down, by using materials of a more lasting kind, without increasing the efficiency or scope of the system, e g., substituting cement plastering or painting for ordinary plastering or painting, substituting plastering for painting, substituting rough stone masonry for dry stone packing, revetting tank bunds at the sites of breaches and river margins where they are eroded grouting newly the surface of aprons and revetments, and lengthening aprons and revetments to protect eroded portions of the beds and margins of rivers, canals and channels.

Works allotted to other Depatments

Art. 151. The Government have allotted the following works to the department which uses or requires the building or rain-gauge concerned :

(1) works of petty construction and repair, with an estimated cost not exceeding Rs. 5,000 for any one work, relating to buildings originally constructed by the Public Works Department, whether borne on the Public Works Register or not;

(2) works of construction of petty buildings with an estimated cost not exceeding Rs. 5,000 for any one building;

(3) all works relating to buildings constructed by the department concerned and not borne on the Public Works Register and ;

(4) works of construction and repair of rain-ganges and rain-gauge pillars.

Electrical works.

Art. 154. (a) As a rule, all original electrical works connected with Government buildings will be executed by the Electricity Department. If a head of a department wishes to arrange for the execution of an electrical work himself and not have it executed by the Electricity Department he should apply to the Goverment for the allotment of the work to his department.

It the Government allot the work to his department, he should get detailed plans and estimates prepared by a competent agency, call for tenders and get the work executed under a lump-sum contract (see Article 163) by a suitable agency. He should request the Electrical Engineer to give any technical advice or assistance needed in the execution of the work. He should also inform the Executive Engineer of the expenditure he incurs on the work so as to enable him to maintain the capital account of the building correctly.

Minor irrigation works.

Art 155. A minor irrigation work which irrigates less than 200 acres is in the charge of the Revenue Department, unless it has been specially placed in the charge of the Public Works Department for maintenance.

Selection of site

Art. 156 The site for a n w building should, if possible, be fixed before the detailed plans and estimates are prepared The local authority concerned should always be consulted as to the suitability of the site, except when the proposed new building is to be erected within a reserved forest. When it is proposed to erect a work or building in the neighbourhood of a fort or cantonment, the local Military Works Officer should be requestedl to give his opinion from the military point of view, and the matter should then be reported to the Government and their orders awaited.

Estimates and sanctions to be tr ted as Confidentia

Art. 160. All Government servants should treat the rate and the amount of cost entered against each item in an estimate and the instract showing the total estimated cost of a work or part of a work as strictly confidential. No information concerning them may be communicated on any account to any contractor, piece-worker or prospective tenderer.

Supplementary estimates

Art. 162. In respect of a development of a work which is held to be necessary while it is in progress but is not fairly contingent on the proper execution of the work as first sanctioned, a supplementary estimate should be submitted to the competent authority for sanction together with a full report as to the circumstances which make it necessary.

Methods of executing works

Art. 163. Works are executed by one or other of the following four methods :—

(i) the departmental method ;
(ii) the piece-work contract method;
(iii) the lumpsum contract method ; and
(iv) the schedule contract method.

Under method (i), the department concerned itself engages the necessary daily labour and purchases or supplies the necessary materials. This method is adopted when no contractor is available or when it is considered to be the most economical method.

Under method (ii), the piece-worker agrees to execute a specified work or part of a work at specified rates withont refernce to quantity or the time taken and the departments concerned arranges for the supervision, setting out and measuring of all the work done. As a rule this method should not be adopted for works other than petty works including improvements and repairs.

Under method (iii), the contractor agrees to execute a complete work in accordance with the specification for a lump-sum payment. This method should be adopted except when one of the other methods is considered more advantageous.

Under method (iv), the contractor agrees to execute one or more of the items included in a work at fixed rates, and the amount to be paid to him depends on the quantity and kind of

work done or materials supplied. This method is in use mainly in the Forests and Agricultural Departments.

When method (ii), (iii) or (iv) is adopted, special care should be taken to see that the rates and amounts fixed are the nomical, giving due consideration to the amount and nature of the work to be done.

Muster roll for a work executed departmentally

Art. 171. Except for the permanent and temporary employees whose pay is charged to the head "Establishment" and the members of the work-charged establishment, all person who are engaged departmentally for the execution of a work should be regarded as day labourers, and their wages should be drawn on muster, roll. The muster roll is the initial record of labour employed each day on a work The Government servant in immediate charge of the work should write it up daily.

Art. 172. Muster rolls should be prepared and dealt with in accordance with the following rules :—

(a) One or more muster rolls should be kept for each work but a muster roll should never be prepared in duplicate. One muster roll may be kept for labourers employed on several small works, if there is no objection to regarding the total unpaid wages as relating only to the largest work in the group.

(b) Every entry in a muster roll should be made, if possible, in ink and otherwise in indelible pencil.

(c) Labourers may be paid more than once a month, and the period to be covered by each payment may be determined locally. Separate muster rolls should be prepared for each period period of payment.

(d) The daily attendance or absence of each labourer and any fine inflicted on him should be recorded daily in Part 1 of the msuter roll in such a way as—

(1) to facilitate the correct calculation of his net wages for the period of payment;

(2) to render it difficult to tamper with or to make unauthorized additions to or, alterations in, entries once made and

(3) to facilitate the correct classification of the cost of labour by works and sub-heads of works, where necessary.

Note Superior officers should check the attendance of labourers as often as possible.

(e) After a muter roll has been passed by the Government servant who is authorised to draw the bill for the work expenditure payment should be made as soon as possible and acquittance should be obtained from the payees concerned in the nominal muster roll. Each payment should be made or witnessed by the Government servant of highest standing available. He should certify to the payments individually or by groups and also record at the foot of the muster roll, both in words and in figures, the total amount paid on each date. The details of unpaid items, if any, should be recorded in Part II the Register of Arrears, before the Government servant who makes the payments completes the memorandum at the foot of the muster roll.

(f) Unpaid items should be carried forward continuously from muster roll to muster roll until they are paid and the payments should be recorded and certified in Part II (the Register of Arrears) in the same way as payments of current items.

(g) All wages not claimed within three months should, as a rule, be forfeited.

Note 1.— In the Forest Department, wages remaining unpaid for three months should be reported to the Divisional Forest Officer or State Wild Life Officer who will decide in each case whether the liability should continue to be born in the accounts of the work cork concerned.

Note 2.— For the procedure to be followed in the Public Works Department, see Local Ruling under Article 121 in the Madras Account Code, Vol. III.

(h) The progress of the work done by the labourers should be recorded in Part III of the muster roll, if the work can be measured. It it cannot be measured, aremark should be recorded to that effect.

Note : It is not necessary to reproduce the detailed measurement in full in Part III and Part III need not be written up at all when progress is reportes once a month or oftener in any other suitable form and separate reports are considered sufficient.

(i) The Government servant who is responsible for the payments need not submit the paid muster rolls to any higher authority, unless he is specially instructed to do so.

Measurement book

Art. 174. (a) All work done otherwise than by daily labour and all supplies relating to a work should be paid for on the basis of measurements recorded in a measurement book. Common Form 298.

The measurement book is the original record of actual measurement or count. The description in a measurement book should be lucid, so that the items described may easily identified and checked. Amesurement book is a very important record and must be kept with great care, since it may have to be produced as evidence in a court of law.

(b) Whenever a measurement book changes hands, even if it is only sent from one office to another within the same building, some responsible person of a grade not below that of clerk should acknowledge receipt of it in writing.

175. Government servants should strictly observe the following general instructions in regard to measurement books :–

(4) All measurements should be taken down neatly in a measurement book issued for the purpose and nowhere else. No one may record any measurements in a measurement book except a Government servant who is duly empowered to make payment for the work done or a duly authorized exective subordinate in immediate charge of the work who has been supplied with a measurement book

(5) Entries should be recorded continuously in the measure ment book. No page should be left blank or torn out. If a page is left blank inadvertently, it should be cancelled by diagonal lines as soon as this is noticed and the cancellation should be attested by the dated initials of the Government servant concerned.

(6) No erasure is permitted. If a mistake is made, the Government servant who is responsible should correct it and attest the correction by his dated initials. When any measurements are cancelled, the cancellation must be attested by the dated initials of the Government servant who orders it or supported by a reference.

(7) At the time of payment, the Government servant who authorized payment should draw a diagonal redink across every page containing the detailed measurement relating to the work or supplies paid for, and should record reference to the number and date of the voucher or sub-voucher on the abstract of measurements.

(b) Check-measurement is intended to detect errors and prevant fraudulent entries. It should therefore be done with discretion and method. The items which appear most likely to be incorrect and most easily susceptible of fraud and those which would seriously affect the total of the bill, if inaccurate, should be selected for check-measurement.

(c) When measurements are taken jointly by more than one Government servant, the senior most of them should record and sign the measurements.

Diseretionary grant

Art.213. Discretionary grants may be sanctioned by (i) the Govenor, (ii) the Collectors of districts, (iii) the Deputy inspector-General of police, C.I.D, (iv) the Director of Harijan Whlfare and (v) the Director of Fisheries.

Irrecoverable Loans and Advances

Duties and powers of officers to write off

Art.260. In respect of advances for the detailed control, accounting and supervision of which the departmental Government servants are responsible, it is the duty of the dupartmental Government servant concerned, when any advance is ascertained to be irrecoverable, to take the necessasy steps to get it written off the accounts under the sanction of the competent authority, and to advise the Accountant-General when it is written off in order that he may make the necessary adjustment in the accounts. Irrecoverable advances written off should be registered by the deparmental Government servant concerned in a separate record in order that any recovery eventually fount to be possible may be made.

The Government servants mentioned in Appendix 21 are authorized to remit or write-off loans and advances to the extent stated. Any such remission or write-off not covered by the powers specified in Appendix 21 requires the sanction of the Government.

CHAPTER XI

Deposits

Classes of civil deposits.

Art. 262. "Civil Deposits" include—

(i) Revenue Deposits.

(ii) Civil Court's Deposits.

(iii) Criminal Courts' Deposits.

(iv) Personal Deposits.

(v) Public Works Deposits.

(vi) Trust Interest Funds.

(vii) Deposits for work done for public bodies or private individual.

(viii) Unclaimed Provident Fund Deposits.

(ix) Deposits of subscriptions for a Government loan.

(x) Deposits in connection with elections.

CHAPTER XII

Responsibility for Losses of Public Moneys or Property

Art. 274-A. The following rules should be observed in cashing bills or in remitting money from one office to another. They prescribe the minimum precautions to be observed for safe guarding Government money outside a Government office in normal circumstances If conditions are in any way abnormal, as when the general tranquility is disturbed or when the money has to be transported over a long distance or when crimes against property have been unusually ripe in any area, the officers should use their judgement as to the additional precautions that may be required. Officers can also relax at their discretion the requirements of the rules, where it is safe to do so and depure such other suitable persons as they deem fit : but the officers will be personally held responsible for any loss which may occur as a result of misuse of the discretion.

(a) *Sums below Rs.* 1,000 – (i) If the sum is below Rs. 500, a single peon should be employed.

(ii) If the sum is Rs. 500 or above, but less than Rs. 1,000 two peons or a clerk, should be employed.

(b) *Sums of Rs.* 1,000 *and above, but below Rs.* 5,000.– A clerk and a peon should be employed.

(c) *Sums of Rs.* 5,000 *and above, but below Rs.* 20,000 – The clerks or a clerk and a shroff or two shroffs or an officer not lower in status than a Huzur Treasurer or a Taluk Head Accountant, accompanied by one or two peons should be employed.

(b) **Sums of Rs. 20,000 and above** – An officer not lower in status than a Huzur Treasurer or Taluk Head Accountant and a clerk or shroff, with an escort of two peons should be employed.

I. – Security Deposits

Security Deposits – Government servants

Art. 276. Every cashier, store-keeper, sub-store-keeper and other subordinate who is entrusted, whether permanently or temporarily, with the custody of Government cash or stores should ordinarily be required to furnish security and to execute a security bond setting forth the conditions under which the Government hold the security and may ultimately refund or appropriate it (*see* Article 283).

Forms of security and conditions on which they are accepted.

Art. 279. The security taken from a Government servant or a contractor should be in one of the following forms subject to the conditions noted against each or partly in one and partly in another of these forms when this is specially permitted by the departmental authority authorized to accept the security :—

Forms (1)	conditions (2)
(1) Cash	The Government will pay no interest on any deposit held by them in the form of cash.
(2) Promissory notes of the Government the Central Government or any other state Government municipal debentures or Port Trust Bonds or Madras State Electricity Board Bonds or Bond and/or Debentures	These secruities should be accepted at 5 per cent below the market price or at the face value *whichever is less*, and should be duly endorsed in favour of the prescribed authority in accordance with the rules in Chapter X of the Government Securities Manual.

issued by the Madras Industrial Investment Corporation. | Contractors who furnish security in his from should be required to endorse the securities in favour of the Executive Engineer in the Public Works Department and the District Forest Officer in the Forest Department.

(3) Stock certificates of the Government, Central Government or any other State Government. | These should be accepted at 5 per cent below the market priceor at the face value *whichever is less*. The person who furnishes these certificates as security should transfer them to the prescribed authority (in the name of his office) by registration in the books of the Public Dept Office and produce evidence of such registration before the certificates are accepted as security deposit. Similarly, when the security has to be returned to the person who furnished it, the authority concerned should effect the transfer by registration in the Public Dept Office — *See* the Rules contained in Chapter X of the Government Securities Manual.

(4) Post Office Savings Bank deposits. | A pass book for a deposit made. under Rule 45 (b) of the Post Office savings Bank Rule may be accepted as security, provided that he depositor as signed and delivered to the Postmaster a letter in the prescribed form, as reasured by Rule 45 (f) of those Rules. *Alternatively* the Government servant or contractor who furnishes security may offer security in the form of cash with a request that it be deposited in the Post Office Savings Bank in the name of the pledgee) departmental authority which takes the security) in accordance with Rule 45 (g) of the Post Office Saving Bank Rules (*see* Article 281).

(5)	Post Office Cash Certificates and Saving Certificates issued by the Govenment.	The certificates should be formally transferred to the pledgee with the sanction of the Head Post master in accordance with Rule 5 of the Post Office Cash Certificates Rules and should be accepted at their surrender value at the time of tender. In the event of the security given in the from of 'savings certificate' being forfeited to the Government within the period during which the certificates are not encashable, the certificates should be retained by the Government servant holding the security for the minimum period required and then encashed for the purpose appropriating to Government the amount due.
(6)	Deposit receipt of the State Bank of India, the Madras State Co-operative Bank and the Co-operative Central Banks approved by the Registrar of Co-operative Societies for the purpose.	(i) The deposit receipt should be made out in the name of the pledgee or if it is made out in the name of the pledger, the bank should certify on it that the depost can be withdrawn only on the demand or with the sanction of the pledgee (ii) The despositor should agree in writing to undertake any risks involved in the investment. (iii) The bank should agree that on receiving a signed treasury chalan and a withdrawal order from the pledgee in respect of the deposit or any part of it, it will at once remit the amount specified into

		the nearest treasury along with the chalan and send the treasury receipt to the pledgee.
	(iv)	The responsibility of the pledge in connexion with the deposit and the interest on it will cease when he issues a final withdrawal order to the depositor and sends an intimation to the bank that he has done so.
(7)	Fidelity bonds Insurance Companies approved by the Government for this purpose — See the list of approved firms in Appendix	A fidelity bond may be accepted as security from a Government servant (but not from a contractor), provided that it is in From 18.
(8)	Other forms of security specifically approved by the Government for acceptance in any particular department e. g., mortgages or real property and personal security in the Revenue Department	Security in any such form should be accepted in the particular department concerned only in accordance with the rules and conditions laid down in the relevant departmental code or manual or in special orders of the Government.

Note :- When a work is executed on the piece-work contract system, security may also be taken in the form of percentage deductions made from the contractor's bills — See Article 163.

(9)	Treasury Savings Deposit Certificates and National Plan Certificates.	These securities should be accepted at their surrender value.

Conversion of security

Art. 280. Security furnished in cash by a Government servant or a contractor may be converted, at the cost of the

depositor, into one (or, when specially permitted, partly into one and partly into another) of the interest-bearing forms of security mentioned in items (2) to (6) in the preceding Article, provided-

(i) that the depositor has expressly requested in writing that this be done, and

(ii) that the acceptance of the new form or forms of security is permissible under the rules and under the terms of the agreement or bond.

Cash actually received or recovered may be converted into an interest-bearing form of security in the manner described above, even when it forms part of a deposit which is being paid in instalments and has not yet been realised in full. Percentage deductions made from a contractor's bills held as security for the due fulfilment of a contract should not, however, be converted into any other form of security unless a departmental rule or order makes special provision for such conversion.

Post Office Savings Bank deposits

Art. 281 The following procedure should be observed when cash tendered as security is to be deposited in the Post Office Savings Bank :—

(i) The Government servant who takes the security (the pledgee) should send a letter to the Postmaster through the person who has to furnish the security explaining the nature of the security and requiring the Postmaster to receive the deposit and issue the pass book in his (the pledgee's) name "on account of the security of A.B. (the person pledging)". The person who is to furnish the security should present the letter at the Post Office with the requisite amount in cash and the Savings Bank index card in the prescribed form signed at the foot by the pledgee.

(ii) The Postmaster will deliver the Savings Bank pass book to the person pledging the security. The latter should transmit it without delay to the pledgee, and the pledgee should give him a receipt for it in the prescribed form.

Custody of securities and security bonds

Art. 285. Post Office Savings Bank pass books, fidelity bonds and security bonds or agreements should be kept in the safe custody of the departmental authority which takes the security.

Reports of losses

Art. 294. When any facts indicating that a defalcation or loss of public moneys, stamps, opinm, stores or other movable or immovable property has occurted or that a series account irregularity has been committed come to the notice of any Government servant, he should inform the head of the office immedistely. If it appears to the head of the office Prima facie that there has been any such occurrence which concerns his office or in which a Government servant subordinate to him is involved, he should send a preliminary report immediately to the Accountant-General and through the proper channel, to the head of the department. On receipt of the information, the head of the department should report the matter to the Government with out delay. These reports should be sent even when the person responsible for a loss has made it good. Reports regarding a loss by way of damage to immovable property belonging to the Government should be sent in accordance with the special provisions of Article 299.

The preliminary report to the Accountant-General may be either a copy of the report to the head of the department or relevant extracts from it showing, so far as information is available at the time, the exact nature of the defalcation or loss and the circumstances which made it possible.

After sending the preliminary reports, the head of the office should investigate the matter fully without delay and take all necessary further, action—see Articles 300 to 302. As soon as the investigation is complete, he should send a complete and detailed final report to the Accountant-General and, through the

proper channel, to the head of the department describing the nature and extent of the loss or account irregularity and the circumstances (including any breach or neglect of an existing rule) which made it possible, and stating whether any amount lost has been recovered and, if not, whether it is possible to recover it in any way. The report shonld also state what disciplinary action has been taken, or is recommended, against the Government servants responsible and what steps have been taken, or are recommanded, with a view to pervant the recurrence of any such loss or account irregularly. The head of the department should also submit a final report to the Government giving full information on all these points and, when necessary, making his recommendations.

Losses of cash due to the acceptance of counterfeit coins

Art. 296 Losses of cash due to the acceptance of counterfeit coins in State treasuries should not be debited to the Government in any case without their specific approval.

Departmental enquiries regarding frauds, etc, in which Government servants are involved

Art. 301. The general rule is that departmental proceedings should be instituted at the earliest possible moment aginst all the Government servants involved in any loss sustained by the Government on account of fraud, embezzlement or any similar offence, and conducted with strict adherence to the rules up to the point at which prosecution of any one of them begins. At that stage it should be specifically considered whether it is practicable to carry the departmental proceedings against any of the others any further without waiting for theresult of the prosecution; if it is, they should be carried as far as possible but not as a rule, to the stage of finding and sentence. If the accused is convicted, the departmental proceedings against him should be resumed and formally completed. If the accused is not convicted, the departmental proceedings sgainst him should be

dropped unless the authority competent to take disciplinary action is of opinion that the facts of the case disclose adequate grounds for taking departmental action against him. In either case, the proceedings against the remaining delinquents should be resumed and completed as soon as possible after the termination of the proceedings in Court.

The departmental procedings contemplated in the preceding paragraph are those regulated by the Civil Services (Classification Control and Appeal) Rules. When action is taken under the Public Servants (Inquiries) Act, 1850 (India Act XXXVII of 1850). this ordinarily takes the place of criminal prosecution as regards the person or persons accused, but the procedure as regards other persons involved against whom the Act is not employed should be in accordance with the instructions given in the preceding paragraphr

CHAPTER XIII

Local Funds

Introductory

Art. 303. The transactions of local funds (as defined-in Article 6) are not included as such in the Government Account, except in so far as their cash balances are deposited with the Government under the rules and accounted for under the deposit head "Deposits of Local Funds" in the "Public Account". The Government's function in regard to such deposits is that of a banker (*See* Chapter XI of this Code and Chapter V of Part III of the Madras Treasury Code).

304. The main classes of local funds are —

(i) (a) District Funds [i.e., the moneys of district boards governed by the Madras District Boards Act, 1920 (Madras Act XIV of 1920), as subsquently amended, and the funds of the Chatram Department of the Thanjavur District Board],

(b) Town Panchayat Funds, Panchayat Union and Village Panchayat Consolidated Funds governed by the Madras Pachayats Act, 1958 (Madras Act XXXV of 1958),

(ii) Municipal Funds [i.e., the moneys of municipal councils governed by the Madras District Municipalities Act, 1920 (Madras Act V of 1920), as subsquently amented, and the moneys of the Madras Corporation governed by the Madras City Municipal Act, 1919 (Madras Act IV of 1919), as subsequently amended],

(iii) Education Funds [i.e., the Fee Funds of Universities and the Elementary Education Funds of panchayat councils and municipal conucils governed by the Madras Elementary Education Act, 1920 (Madras Act VIII of 1920), as subsequently menated],

(iv) Port and Marine Funds that do not relate to major ports [including the Minor Ports Fund, the Minor Ports Pilotage Funds and the Tuticorin Port Fund governed by the Indian Ports Act, 1908 (India Act XV of 1908, as subse quently amented, the Tuticorin Port Trust Fund governed by the Tuticorin Post Trust Act, 1924 (Madras Act II of 1924), as subsequently amended, and the Landing and Shipping Dues Funds governed by the Madras Outports Landing and Shipping Fees Act, 1885 (Madras Act III of 1885), as subsequently amended],

(v) Market Committee Funds [i.e., the moneys of Market Committees governed by the Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933)],

(vi) The Central Fund constituted to meet the leave salary, salary and contribution towards provident fund in respect of the Municipal Commissioners and the Panchayat Executive Officers during leave, and

(vii) Library Funds (i.e., the moneys of the Local Library Authorities governed by the Madras Public Libraries Act, 1948, as subsequently amended).

Art. 305. Local bodies (as defined in Article 6) perform functions closely allied to those of the Government, and receive aid from the Government in the form of grants and loans for certain purposes.

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CHAPTER XIV

Miscellaneous subjects

Erasures

Art. 323. A Government servant should on no account erase or overwrite any entry in any cash book, account, register or schedule if he finds it necessary to make a correction, he should cancel the incorrect entry neatly in redink and insert the correct entry. Whenever Government servant makes any correction or interpolation in any such document. he should request the head of the office to authenticate it by writing his dated initials against it - **See** also supsidiary rule 32 (c) under Treasury Rule 16.

Exception :— The Superintendents of Police in the Police Department are exempted from attesting the corrections in Police station pay bills. However, the corrections should be attested by a subordinate not lower in rank than an Accountant and the heads of office should test-check at least ten per cent of corrections and authenticate them

Supply of forms

Art. 324. The Works Manager Government Press, maintains stocks of the standard forms prescribed for use by Government offices including the forms prescribed in this Code, the Madras Treasury Code and the Madras Account Code. Heads of offices and other Government servants who are entitled to indent for these forms should send their indents to him in accordance with the rules contained in Part I of the Madras printing Manual.

Service books

Art. 325. A record should be maintained of the services of every Government servant in accordance with tha rules framed by the Government under Fundamental Rule 74 (a) (iv) - See Part III Annexure II to the Madras Fundamental Rules. The

Accountant-General will maintain the record for gazetted Government servants in the "History of services", which he compiles annually. The head of each office should maintain the record for each non-gazetted Government servant working under him in a service book (or service roll). Each district treasury keeps a stock of service books and service rolls and supplies required for keeping in stock and sale at sub-treasuries on quarterly indents, which should not be excessive. Other offices should obtain from the sub-treasury only the number of service books (or rolls) actually required for use on each occasion and should not hold any stock to meet future requirements,

Service Books required by heads of Government offices for Last Grade Government servants and service roll forms required for police constables and Head constables and leading Firemen, and other equivalent ranks in the Fire Services Branch will be issued free of cost.

Destruction of official records connected with accounts

Art. 326. A competent authority may destory official records from time to time subject to the careful observance of the relevant rules contained in the departmental code or manual and of any other relevant orders of the Government. The following rules apply generally to the destruction of records (including correspondence connected with accounts:—

(a) The following should on no account be destroyed:—

(i) records connected with expenditure whic his within the period of limitation fixed by law.

(ii) records connected with expenditure on projects, schemes or works which have not yet been completed even though the expenditure is not within the period of limitation fixed by law.

(iii) records connected with claims to service and personal matters affecting Government servants who are still in service, and

(iv) orders and sanctions of a permanent character, until revised.

(b) The following records should be preserved for not less than the period specified against each item :—

Description of records (1)	Period of preservation (2)
pay bills and when maintained separately, acquittance rolls for pay and allowances (other than travelling) allowance of all Government servants.	35 years.
Pay bills and, when maintained separately, acquittance rolls of Government servants in last grade service.	45 ,,
Registers of contingent expenditure ...	5 ,,
Sub-vouchers	3 ,,
Detailed budget estimates of an office	5 ,,

TAMIL NADU BUDGET MANUAL

CHAPTER I

Introductory

This Manual contains rules framed by the Finance Department for the guidance of estimating officers and departments of the Secretariat in regard to the budget procedure in general and to the preparation and examination of the annual budget estimates and the subsequent control over expenditure in particular to ensure that it is kept within the authorised grants or appropriations.

Para 2. **Annual Financial Statement :–** Under Article 202 of the Constitution of India, a statement of the estimated receipts and expenditure of the State for each financial year has to be laid before both the Houses of the Legislature. The estimates of expenditure show "Charged" and "Voted" items of expenditure separately and distinguish expenditure on revenue account from other expenditure. This statement is known as the "Annual Financial Statement" or "Budget".

Para 3. **Structure of Government Accounts :–** All receipts and disbursements of the State Government are shown in the Annual Financial Statement in three separate parts, namely :—

Part I Consolidated Fund of the State.

Part II Gontingency Fund of the State,

Part III Public Account of the State.

Consolidated Fund :— Under Article 266 of the Constitution of India, all revenues received by a State Government, all loans raised by that Government by the issue of treasuary bills, loans or ways and means advances and all moneys received by that Government in re-payment of loans form one consolidated fund is called the "Gonsolidated Fund of the State" No moneys out of this Eund can be appropriated except in accordance with law and for the purposes and in the manner provided in the Gonstitution.

Contingency Fund :– Under Article 267 (2) of the Constitution of India, the State Legislature has established a Contingency Fund in the nature of an imprest created by a non-recurring contribution of Rs. 500 lakhs from the Consolidated Fund of the State. The Contingency Fund is intended to provide advances to the Executive Government to meet unforeseen expenditure arising in the course of a year pending its authorisation by the Legislature by law

[See The Madras Contingency Fund Act, 1954 as amended and the rules framed there-under in Appendix H].

Public Account :– Receipts and disbursements, such as deposits, reserve funds, remittances, etc., which do not from part of the "Consolidated Fund" are included in the Public Account of the State. Disbursements from the Public Account are not subject to the vote by the Legislature as they are not moneys issued out of the "consolidated Fund".

Para 4. Division of the Consolidated Fund :— The main division of the Consolidated Fund are :

(i) Revenue Account.

(ii) Capital Account.

(iii) Debt (comprising Debt and loans and Advances).

Revenue Account is the account of (a) the current income and expenditure of the State derived mainly from taxes and duties, fees for services rendered, fines and penalties, revenue from Government estates such as forests and other miscellaneous items; and (b) the expenditure met from that income. The difference between such income and expenditure represents the revenue surplus or deficit as the case may be for that year.

Capital Account is the account of expenditure incurred with the object either of increasing concrete assets of a material character or of reducing recurring liabilities such as those for future pensions by payment of the capitalised value. It also

includes receipts arising generally from sale of concrete assets intended to be applied as a set-off to capital expenditure. Expenditure on capital account is usually met from sources other than current revenues, e g. borrowed funds or accumulated cash balances.

Debt :— The division comprises loans raised by Government, loans of a purely temporary nature classed as "Floating Debt" (such as Treasury Bills and Ways and Means Advances) as well as other loans classed as "Permanent Debt" and "Loans and Advances made by Government", together with repayments of the former and recoveries of the latter. Transaction connected with these are recorded under "O. Public Debt" and "Q Loans and Advances by the State Government" both on the receipt and the disbursement sides.

Para 5. Divisions of Public Account :– There are two main divisions of the Public Account, namely, (i) Debt and Deposits; and (ii) Remittances. The first division comprises receipts and payments (other than those falling under Debt heads pertaining to the Consolidated Fund) in respect of which Government act as Bankers receiving amounts which they afterwards repay and paying out amounts which they subsequently recover. The second division comprises merely adjusting heads under which appear remittances of cash between treasuries and transfers between different accounting circles. The initial debits or creditsto the leads in this division are cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

Para 7. Charged Expenditure :— Article 202 (2) of the Constitution of India requires that the estimates of expenditure embodied in the Annual Financial Statement should show separately the sums required to meet expenditure discribed by the Constitution as expenditures charged upto the Consolidated Fund of the State. The estimates of charged expenditure should not be

submitted to the Vote of the Legislative Assembly but this will not prevent the discussion in the Legislature of any of those estimates.

A detailed list of the items of expenditure which are charged on the Consolidated Fund of the State is given in Appendix G.

Para 8. Preparation of the Budget Estimates and their transmission to the Finance Department :- Under the rules made by the Governor for the convenient transaction of the business of the State Government and the instructions issued thereunder, the Finance Department is responsible for the preparation of the annual budget. The budget. is prepared on the basis of the material furnished by the departmental officers and the administrative departments of the Secretariat The Heads of Departments and other estimating officers prep re the estimates for each head of account with which they are concerned and forward them to the Finance Department and also to the appropriate departments of the Secretariat by the prescribed dates. The administrative departments of Secretariat scrutinize the estimates and make available their comments on these to the Finance Department which then examines the estimates. Estimates under certain heads are funished by the administrative departments of the Secretariat and the Accountant-General. A statement showing the names of the estimating officer, administrave department of Secretariat concerned and due dates for submission is given in Appendix C.

Para 9. Proposals for new expenditure :— The estimates referred to in paragraph 8 take cognizance only of what are called 'standing sanctions' i e., all revenues based on existing laws. rules and orders and all expenditure incurred by virtue of existing rules and orders. Proposals which involve a reduction or an increase in revenue otherwise than in pursuance of authorised Codes, Manuals and Rules and proposales for 'new expenditure' (See Chapter IV) should be submitted to Government from time

to time as they arise and the should not be taken into account in preparing the department estimates. Separate estimates for proposals for the abandonment of existing revenue and for schemes of new expenditure arranged in the order of urgency should however be sent so as to reach the administrative department of the Secretariat by the 1st October of each year. These proposals are examined by the respective administrative departe ments and subsequently by the Finance Department andare then placed before the Council of Ministers, for decision as to with of the proposals should be provided for in the Budget wihch reference to the resources available and thc comparaive urgency of the proposals.

Para 10. Presentation of the Budget statements to the Legislature :- The Finance Department then consolidates the estimates embodying the decision of the Council of Ministers and prepares—

(a) the summary statement of receipts and disbursements.

(b) the detailed estimates of receipts ; and

(c) the statement of the demands for grants followed by detailed estimates.

These statements include both expenditure charge don the Consolidated Fund of the State and expenditure not so charged. A Budget Memorandum explaining the figures in these statements is also presented by the Finance Department. All these documents are presented under Article 202 of the Constitution of India, to both the Houses of the Legislature by the Finance Minister by about the end of February or early in March each year.

Para 12. Appropriation Act : – After the Demands for grants have been voted by the Legislative Assembly, a Bill to provide for the appropriation out of the Consolidated Fund of the State

of all moneys required to meet the voted as well as the charged expenditure is introduced in the Legislative Assembly on the recommendation of tha Governor. No amendment shall be proposed to any such Bill in either House of the Legislature which will have the effect of varying the amount or altering the destination of any Grant so made or varying the amount of any expenditure charged on the Consolidated Fund. When this Bill is passed by both the Houses of the Legislature and it has also received the assent of the Governor, the amout shown therein can be expended during the financial year concerned.

CHAPTER II

Definitions

Para 17. Unless there is anything repugnant in the subject or content, the terms defined in this chapter are used in the Manual in the sense here explained. Words and phrases used in the Manual which are defined in the Constitution of India or in the rules and orders framed under the Constitution bear the meanings assigned to them in those definitions :-

(1) **Accounts or actual of a year** year are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending on March 31st following as finally recorded an the Accountant-General's books.

(2) **Administrative approval of a scheme, proposal or work** is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure thereon as and when funds permit

(3) **Annual Financial Statment** or **Budget** means the statement of the estimated receipts and expenditure of the State for each financial year to be laid before both the Houses of the Legislature (**See** also paragraph 2 of Chapter I).

(4) **Appropriation** means the amount authorised for expenditure under a major or minor head or sub-head or other unit of appropriation or part of that amount placed at the dis posal of a disbursing officer (The word is also used in connection with the provision made in respect of charged expenditure).

(5) **Appropriation Accounts** are the accounts prepared by the Comptroller and Auditor General of India for each grant or appropriation in which is indicated the amount of the grant/ appropriation sanctioned and the amount spent on the grant/

appropriation as a whole. Important variations in the expenditure and allotments under different group heads (Voted and Charged) are explained therein with the comments of audit.

(6) *Budget* – See Annual Financial Statement.

(7) Budget year means the financial year commencing on the 1st of April and ending the 31st of March following for which the Budget is prepared.

(8) *Budget Estimate* are the detailed estimates of the receipts and disbursements of a financial year.

(9) *Charged appropriation* means the sum required to meet charged expenditure as specified in the schedule to an Act passed under Article 204 of the Constitution during the financial year concerned, on the service and purposes covered by that 'Charged Appropriation'. It does not include provision for voted exdenditure.

(10) *Charged expenditure or expenditure charged on the Consolidated Fund* means such expenditure as is not to be submitted to the Vote of the Legislative Assembly under the provisions of the Constitution. Sums relating to 'Charged', expenditure are usually printed in italics in the Detailed Estimates and Grants.

A list of items the expenditure on which is charged on the Consolidated Fund of the State is given in Appendix G.

(11) *Consolidated Fund of the State* – See paragraph 3 of Chapter I

(12) *Constitution* means the Constitution of India.

(13) *Contingency Fund* – See paragraph 3 of Chapter I.

(14) *Controlling Officer* means the authority made responsible for the control of expenditure for any head of account. A list of Chief Controlling Officers and subordinate controlling officers is given in Appendix D.

(15) *Departmental Estimate* is an estimate of income and ordinary expenditure of a department in respact of any year submitted to the Government by a head of department orother estimating Officer.

(16) *Detailed head* means the lowest accounting units under which the transactions of the Government are recorded in the accounts, and is also the lowest unit for which figures are given in the budget estimates.

(17) *Disbursing Officer* :— Every Government servant who draws money for disbursement on bills from the treasury is a disbursing officer, but a gazetted Government servant who is not the head of an office and who draws only his own pay and allowances from the treasury is not included in this term.

(18) *Estimating officer* means a departmental officer responsible for preparing a departmental estimate (A list of estimating officers is given in Appendix C).

(19) *Excess Grant* means a grant voted by the Legislative Assembly to meet the expenditure incurred in a financial year in excess of the amount granted for a service of that year—See section V of Chapter IX.

(20) *Head of Department* means an officer declared as such by Government.

(21) *Grant* means the amount voted by the Legislative Assembly in respect of a demand for grant.

(22) *Major head* means a main head of account for the purpose of recording and classifying the receipts and disbursements of public revenues—*See* paragraph 6 of Chapter I.

(23) *Major work* means a work the estimated cost of which exceeds Rs. 10,000.

(24) *Minor head* means a head subordinate to a Major head or Sub-Major head—*See* paragraph 6 of Chapter I.

(25) **Minor Work** means a work the estimated cost of which dose not exceed Rs. 10,000.

(26) **Modified Appropriation** means the sums allotted to any unit of appropriation as it stands on any particular date after it has been modified by reappropriation or by supplementary or additional grand or grants sanctioned by competent authority.

(27) **New Expenditure — See Chapter IV.**

(28) **New Service** means a service the expenditure on which is not contemplated in the budget (Appropriation Act for the year and the expenditure exceeds certain monetary limints and for which a supplementary statement of expenditure should be presented to the Legislature in accordance with the decisions of the Public Accounts committee-See Chapter X.

(29) **Primary Unit of appropriation** — See paragraph 6. of Chapter I. The primary units of appropriation are variable according to the administrative convenience and as such the exact units will appear every year in the volume "Detailed Budget Estimates".

(30) **Public Accounts Committee** is a committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor-General of India realting to the approprion accounts of the State, The Annual Finance Accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize See Chapter XIV

(31) **Reappropriation** means the transfer by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation - See Section II in Chapter IX.

(32) **Recurring charge** is a charge which involes iability beyond the financial year in which it is originally sanctioned.

Expenditure sanctioned for a specific purpose and for a specified period (not more than a financial year) is not a recurring charge

(33) *Revised Estimate* is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year with reference to the transactions already recorded and anticipations for the remainder of the year in the light of the orders already issued or contemplated to be issued or any other relevant facts

(34) *Standing Sanctions* relate to revenues based on existing law. rule. or order and expenditure incurred by virtue of existing rule and orders.

(35) *Sub head* means a head subordinate to a minor *head-see* paragraph 6 of Chapter I.

(36) *Sub-head of appropriation* means a [head] subordinate to a minor head (or where a minor head is split up into one or more sub-heads, to sub-head) for which an appropiation is ordinarily made in the budged estimates.

(37) *Supplementary Statement of expenditure* means the statement to be laid before the Legislature under Article 205 (i) (a) or the Constitution showing the estimated amount of further expenditure authorised in the annual financial statement for that year The demand for supplementary grand may be token or substantive *See* Section *III* of Chapter *IX*).

(38) *Technical Sanction* is the approval to the detailed desigans, plans. specfications and qualities by the competent Engineer authority, which is required to be given to any work other than petty works, petty repairs, and other repairs for which a lumpsum provision has been sanctioned by the Super intending Engineer before commencement.

(39) *Vote on Account* means a grant made in Advance by the Legislative Assembly in pursuance of Article (a)

of the Constitution, in respect of the estimated expenditure for a part of new financial year, pending the completion of the procedure relating to the voting of demands for grants and the passing of the Appropprition Bill. The annual financial statement is generally presented to the Legislature in the month of February and normally the general discussion thereon in both the Houses, the voting of the demands for grants by the Legislative Assembly and the passing of the Appropriation Bill are expected to be completed before the end of March so as to make avilable the grants and appropriations for the ensuing year right from the commencement of the year. But circumstances may some times arise in which this may not be possible. On such occasions, demands for advance grants in respect of the estimated expenditure for a part of the year may be presented.

(41) **Voted Expenditure** mean expenditure which is subject to the voted of the Legislature Assembly. It is to be distinguished from 'Charged' expenditure.

CHAPTER III

Preparation Of Departmental Estimates

Sention I — General

Para 22. **Part I Estimates :—** The departmental estimates referred to above should take cognizance of only what arecalled "standing sanctions", i.e., all revenue based on existing laws, rules or orders and all expenditure incurred by virtue of existing laws rules or orders. These are called the Part I estimates.

Para 23. **Part II Estimates :—** Proposals which involve a reduction or an increase in revenue otherwise than in pursuance of authorised codes, manuals, rules or orders and proposals involving "new expenditure" (see Chapter IV) should be submitted to Government separately by the prescribed date. If a Departmental officer feels any doubt whether a particular proposal should be treated as constituting a "new expenditure" he should make a reference to Govenment in the administratve department concernerned well in advance of the prescribed date.

Proposals relating to "new expenditure" should be submitted to Government as and when ready and in any case not later than the 1st October so that administrative departments of Seerctariat and the Finance Department may have sufficent time to examine each proposal as closely as poossible and to call for such further information as may be deemed necessary. It must be clearely understood that any proposal reaching the Finance Deparment after the prescribed date will not be ordinarily entertained and the responsibility for the inconvenience which may be caused to the public service on that account will attach to the officer or the administrative department concerned who or which failed to take action in time.

Prar 24. Classification of receipts and expenditure in I Estimates :– A list of major and minor heads of account as prescribed by the Comptroller and Auditor-General of India is given in Appendix B. The introduction of any new major and or minor head as well as the abolition or a charge in the nomenclature of any of the existing major or minor heads require the approval of that authority and cannot be carried out units such approval has beed obtained. The sub-heads, primary units of appropriation and detailed heads are however variable according to convenience and as such the exact units will appear every year in the State Budget under "Detailed Budget Estimates", The detailed classification of receipt heads is shown in the volume "Detailed Budget Estimates of Revenue". In the matter of accounting and control of expenditure, the classification and nomenclature of heads as give in the Detailed Budget Estimates should be followed unless they are subsequently modified by the Finance Department.

Section II - Budget Estimates.

(a) Revenue and Receipts – Part I

Para 27. In the preparation of the budget the aim is to achieve as close an approximation to the actuals as possible. Itis there fore essential that not merely should all items of revenue and receipts that can be forseen be provided but also only so much and no more should be provided as is expected to be realized, including past arreas, in the budget year. The followidg instruction should be carefully observed in preparing the estimates:-

(i) The estimates should be based on the existing rules and rates of taxes duties, fees, etc., and no increases or reductions in such rates which have not been sanctioned by Government should be proposed ;

(ii) An estimate should show the amounts actually expected to be received during the budget year and those only. The arrears, if any, standing over from past years for collection should be included if there is a reasonable certainty that they would

be realished with in the year. On the other hand, the estimates should exclude any recepits which, although falling due during the budget year, are not expected to be actually realised within that year.

(iii) In preparing the estimates of all abnormal factors as well as to normal conditions and tendencies like opening up of new irrigation work or breaching of irrigation canals or famine conditions affecting the realisation of revenue ;

(iv) The gross transactions should be exhibited in full, unless in any particular case there are definite instructions to the contrary when net receipts may be entered and a brief explanation given in the remarks column,;

(v) Provision should be made in the revenue estimates where necessary, for refunds which are shown under a separate minor head Deduct Refunds, under the major revenue head;

(iv) If proposals for enhancement or reduction in the rates of taxes fees, etc., have been sent to Government separately, the financial effect of such proposals should be indicated in the explanatory note.

(b) Expendiure — Part I

Para 30. The estimates of expenditure under Part I are those for the expenditure expected to be incurred in the coming year for the normal working of the departments with reference to the existing sanctions. No item constituting "new expenditure" should therefore be included in these estimates. The estimates should be as close and accurate as possible and the provision to be included in respect of each item should be based on what is expected to be acutally paid or spent under proper sanction during the year including arrears of past years and not merely confined to the liabilities pertaining to the year. The need for every item must be fully scrutinized before provision for it is included and the amount should be restricted to the absolute

minimum necessary. The various general or speific orders issued by Government or by heads of departments for economy in expenditure must be carefully borne in mind and complied with.

Para 39. The Number Statement for pay of officers and Establishments should be prepared in Form. A appended to this Manual. Statement for fixed allowances should be prepared in Form B. These forms have been standardized and copies should be obtained by the Estimating Officers from the Director of Stationery and Printing on annual indents. The Number Statements should be submitted by the Estimating Officers to the Finance Department on the 1st August of each year in advance of the departmental estimates.

Section III

Revised Estimates

Para 46. The Revised Estimate is an estimate of the probable receipts or expenditure for a financial year framed in the course of that year with reference to the transactions already recorded and anticipations for the remainder of the year in the light of the orders already issued or contemplated to be issued or any other relevant facts. It does not authorize any expenditure not does it supersede the budget estimate as the basis for regulation of the expenditure. If provision is made for additional expenditure in them. it is necessary to apply separately for the additional appropriation required, unless this has already been sanctioned. Similarly a reduction in any provision of funds in the revised estimate does not obviate the necessity for formal surrender of any amount provided in the budget estimates which is not likely to be sent. At the same time it is the duty of the Controlling Officer to see that as far as possible the expenditure during the remaining part of the year is so restricted that the total expenditure for the year does not exceed the revised estimate figure.

Para 47. The reduction in the revised estimate may be due to one or more of the following causes :—

(i) actual postponement of expenditure;

(ii) real savings due to economy measures; and

(iii) normal savings due either to over-estimating or administrative causes, e g., causalities, etc.

Savings due to cause (i) are in no circumstances to be used to meet new items of expenditure without prior sanction of Government. Unless savings due to cause (ii) have been made deliberately to provide for a foreseen emergency, they should not ordinarily be utlised in the course of the year for new items of expenditure.

Para 48. The revised estimates of the current year are prima facie the best indication as to what the budget estimates for the coming year should be. It is therefore essential that they should be prepared with great care so that they may approximate as closely as possible to the actuals which will not be available for some months after the close of the financial year. These estimates enable the Government to arrive at the approximate closing balance of the year which will be the opening balance of the next year.

Para 49. **Methods for framing the Revised Estimates :-** A revised estimate is based on.

(i) ascertained actuals of the past months of a financial years; and

(ii) an estimate of the probable figure for the remaining months of that year;

The figure for (i) above being definitely known, it is only that for (ii) which has to be estimated and in doing so the actuals for the same period during the previous years, chiefly those of the preceding year, should be the main guide, due allowance being made for any exceptional factors or unusual characteristics which may have affected the actuals of the last preceding year or which may affect those of the current year. If the revised figures differ appreciably from the previous year's figure, the reason or reasons for the variation should be clearly explained. Also if any special

factors have affected the figures for (i) above, this should be mentioned and it should be explained whether or not they are not likely to continue throughout the year The usual adjustment with other Governments and departments, etc, which take place during and after the close of the year, should be duly taken into account when framing the revised estimates.

Para 50. The Revised Estimates are generally based on the actuals of the first four or six months of the year. Assuming that at the time of the preparation of the Revised Estimates, the actuals for the first four months of the current year are available then the Revised Estimates may be calculated as follows:—

(i) by adding to the actuals of the first four months of the current year those of the last eight months of the previous year; or

(ii) by taking a proportionate figure so that the Revised Estimates will be 12/4 (i e , three times) the actuals of the first four months; or

(iii) by assuming that the Revised Estimates for the current year will bear the same proportion to the actuals of the first four months as the actuals of the provious year bore to those of the first four months of that year.

The Heads of department and other estimating officers should use their discretion and adopt one or other of the above methods or any other suitable method for each particular case in the light of the actual trend of revenue or expenditure during the previous years, due allowance being made for any abnormal features in those years and for factors which may modify the realisation of original expectations. It would always be of advantage to base the forecast on a careful study of the figures of three years immediately preceding rather than those of a single year.

Para 51. **Corrections to the Revised Estimates :—** Any appreciable variations discovered in the Revised Estimates of expenditure and receipts subsequent to the communication to the Finance Department should be communicated to that department within one month from the date of sending the estimates and in any case not later than the 15th December.

CHAPTER IV

Preparation and Scrutiny of Part II Estimates

Para 63. Under the Madras Government Business Rules and the Secretariat Instructions, the Finance Department is required to examine and advise on all schemes of new expenditure for which it is proposed to make provision in the Budget and is empowered to decline to make provision for any scheme of new expenditure which has not been soe xamined.

New Expenditure :-

Para 64. It is not possible to define rigidly the "new expendi ture" In actual practice, bassed on convention, it bears a wide interpretation. Broadly speaking, expenditure involved on a new scheme in the adoption of a new policy, provision of a new facility or any substantial alteration in character or extent of of an existing facility will normally be treated as constituting "new expenditure". In some cases, increase in expenditure, other than increase due to normal growth or rise in the price of commodit-ies on the extension or development of an existing scheme or facility is also, where it is appreciable, treated as "new expenditure",

Para 64. A. All proposals which are not in the nature of main-tenance work are to be treated as Part II e. g, if the proposal is to plant 1 000 acres of Blue Gum every year, then the planting part will be Part II every year and the maintenance of previous year 1,000 acres alone will be Part I unless of course at the beginning of the Plan period, the sanction is given for the entire five years.

Another point regarding Part II schemes may also be noted. All sehemes in regard to which Government have still an

option to incur or not to incur expenditure with reference to Budgetary position should be classified a Part II scheme. For example, in respect of a scheme for construction of buildings under a head of development there may be a lumpsum plan outlay for an entire plan period A certain expenditure might have been incurred in the year, by sanctioning a few works, Even though there is plan provision, it is left to the Government to incur the expenditure or not in the subsequent years. If the administrative department desires to incur the expenditure by taking up new items of work say in 1969—70, it should bring forward the proposal for consideration as Part II Scheme, 1969–70.

Para 65. The following classes of new expenditure should be considered under Part II of the Budget Estimates:—

(a) all schemes of new expenditure the cost of which exceeds Rs. 10.000 per annum recurring or 50,000 non recurringe

(b) schemes involving the abandonment of existing revenu. when the amount of revenue to be foregone exceeds Rs 25,000 per annum recuring or Rs. 1,00,000 non-recurring or when the scheme involves a change of policy.

Exceptions: (i) Temporary additions to cadres purely for for temporary work e.g., revision of departmental manuals which is expected to last only for few months and cost only a small amount.

(ii) Tempoary additions to cadres of services and temporary additional posts in the Public Works Department to supplement the quasi-permanent and permanent cadres for the execution of original major works in progress and Minor works, for which special temporary establishments have not been employed

(iii) Addition to cadres of services or additional posts. the cost of which is recovered together with leave salary and

pensionary contribution, or the cost of which is recovered in part so as to leave only a trivial amount to be debited to the State Consolidated Fund.

(iv) Permanent retention of establishments which have been sanctioned on a temporary basis in the first instance.

(v) Extension within the budget year of temporary additions to cadres. when such extension is considered essential

Para 67. **Last date for submission of Part II Schemes:—** To enable a proper and detailed examination being carried by Government, all proposals or schemes under Part II of the Budget should be submitted by the Heads of Departments or estimating officers concerned to the administrative departments of the Secretariat concerned as soon as they are ready and should not be held up for being submitted towards the last date which is the 1st October. By 15th November each administrative department should send to the Finance Department a list of Part II Schemes with which it is concerned indicating therein the order of priority in which the scheme should be considered This list should comprise two sections, one for Plan schemes and other for non-Plan schemes, the schemes being arranged in the order of priority in each one of these sections

(ii) **The Annual Financial Statement is a small document consisting of—**

(I) General Statment of Revenue and Expenditure on Revenue Account of the Government of Madras

(II) General Statement of Receipts and Disbursements of the Government of Madras.

These two statements constitute the Budget. They are supporred by four detailed statements also prsned in the same volume :

(a) Statement of Revenue of the Government of Madras.

(b) Statement of Expenditure on Revenue Account of Madras.

(c) Statement of Capital Expenditure of the Government of Madras.

(d) Statement of Receipts and Disbursements of the Government of Madras on all other accounts.

CHAPTER VIII

Review of Receipts and Control of Expenditure

Para 188. The duties and responsibilities of a Controlling Qfficer briefly are —

(i) to ensure that the grant placed at his disposal is expended only on the objects for which it has been provided keeping in view the standards of financial propriey ;

(ii) to keep the expenditure within the sanctioned grant;

(iii) to keep the expenditure under a particular unit of appropriation as far as possible within the sum allotted under that unit, and where this is not possible, to meet the excess by effecting savings in the sums allotted to him under other units and sanctioning re-appropriation which may be within his competence in accordance with the rules contained in Chapter IX:

(iv) to move the competent authority in proper time to provide additional funds either by reappropriation or through supplementary estimates, whenever an excess over the total grant placed at his disposal is expected by him as unavoidable or when he desires to incur some new expenditure;

(v) to surrender appropriations or portions thereof which are not likely to be required during the year as soon as lapses or savings are foreseen; and

(vi) to ensure the observance by himself and his subordinates of all financial rules and regulation.

Para 119. The responsibilities mentioned above of a Chief Controlling Officer attach equally to a Subordinate Controlling Officer and a Disbursing Officer. In addition, a disburing officer

must ensure that the conditions preliminary to the incurring of expenditure are satisfied, namely, that the sanction of the competent authority exists and funds to cover the expenditure fully have been placed at his disposal. The possibility of any excess expenditure over the allotments made to him must be foreseen and intimation of the likely excees, along w;th the reason for this, should be sent to the Chief Controlling Officer/Subordinate Controlling Officer concerned in sufficient time to enable the latter to arrange additional funds if these are to be allotted at all Every Chief Controlling Officer and Subordinate Controlling Officer in respect of the expenditure incurred by himself, is in the same position as a disbursing officer.

Control of Expenditure by Chief and Subordinate Contorlling Officer

Para 127 Chief Controlling Officer's Register

Every Chief Controlling Dfficer will mainting a register of expenditure under each detailed head of account with which he is concerned in Form G given in Budget Manual. Separate registers should be maintained for the Plan and Non-Plan expenditure. The allotments communicated by the Controlling Officer at the beginning of the year will be noted in this register in red ink under each detailed head in the space provided for the purpose. If the allotment against any unit is increased or decreased by the Controlling Officer subsequently, the amount of the allotment will be corrected in the register by plus or minus entry in red ink. Should a Disbursing Officer received information from his Controlling Officer that any particular item has been misclassified he will correct the accounts of expenditure and the available balances of the allotments by means of plus or minus entries in red ink. As soon as a bill is passed at the Treasury, it should be posted in the appropriate columns of the register against the Treasury district in which the payment is made. In the case of pay and allowances of village establishment. cattle pound charges and loans disbursed under the Land Improvement Loans and Agriculturists' Loans Acts, it is sufficient to copy the monthly

totals from the record maintained by the Disursing Officers. The adjustments, if any made by the Accountant-General and intimated to the Disursing Officer should be entered on receipt of the intimation.

After the close of each month every Disbursing Officer should after such reconciliation with the Treasury figures as may be prescribed by Chief Controlling Officer in consultation with the District Treasury, Officer, forward to the Controlling Officer immediately superior to him an extract of his account in Form C given in Budget Manual omitting the details leading up to the distrcit total againts serial number IV

Para 124. Surbordinate Controlling Officer Register

The Subordinate Controlling Office should consolidate in From D given in Budget Manual the figures in his own register of disbursement (From C) and the figures contained in the extracts of accounts received from the Disbursing Officer subordinate to him. The disbursements pertaining to each sub-head of appropriation or detailed account head should be grouped by districts. The Subordinate Controlling Officers should after such reconciliation with the Treasury figures as may be prescribed by the Chief Controlling Office foward an extract of his register in From D to the Chief Controlling Officer showing only the totals against each serial number except serial numbers VI and IX which should be omi ted.

Para 139. Watching Expenditure

The Chief Controlling Officer shall keep a separate and careful watch on important but occasional items of expenditure (e.g.) purchase of uniforms and arms and ammunition for the Police Force, equipment and medicines for hospitals and dispensaries and food grains etc., for jails. Such expenditure is incurred occasionally or at irregular intervals throughout the year and watching the monthly progress of expenditure is not appropriate in such cases. He will decide for himself what suitable method

he should adopt to watch expenditure and keep control over it. In some cases he mav perfer to keep the entire grant in his hands and direct the Disbursing Officer to apply for allotments when they wish to incur expenditure. In other cases he may distribute allotments, and merely ask the Disburing Officers to report the expenditure, as soon as they incur it separately from the monthly accounts of other expenditure. Whatever method he adopts, it is essential that he should keep himself fully informed from time to time not only of the expenditure already incurred but also of the liabilities incurred which have to be met of the sanctioned grant.

If the Chief Controlling Officer finds at any stage that the expenditure is progressing too rapidly, he shall promptly take such steps as he may consider necessary to restrict further expenditures so that the sanctioned grant is not exceeded.

Para 137 & 138 Savings in Appropiation

The Progress of expenditure month by month and careful asseseement of the commitments and liabilities for the remaining part of the year may indicate savings in the appropriations shown against the several minor or sub-heads in the detailed budget estimates and grants. There are several possible reasons for such savings, such as over-budgeting or postponement of or economy in expenditure. In fact there are almost invariably such savings in the appropriation for serveral classes of grant-in-aid, irrigation and civil works and loans and advances. Lump sum deductions from the appropriations under these heads are usvally made on this ground in the budget estimates subject to the condition that if the sum provided under the concerend heads is likely to be exceeded, supplementary appropriations will be applied for and obtainted in due coure. Savings reported under a grant in which a deduction has been made by probable savings will be immedtelo reappropriatey by the Finanec Department against that deductions until the whole of the deduction has

been covered by such re-appropriations. All savings anticipated by the Chief Controlling Officers should be reported by them with full details and reasons to the Administrative departments concerned of the Secretaralt immediately they are foreseen, unless those are required to meet anticipated requirements for additional funds under some other heads within the total allotment under the same minor head under his control. No amount out of savings be held in reserve for meeting additional expenditure not definitely foreseen or already approved by the competent authority. The administrative departments should intimate such of the savings reported by the Chief Controlling Officerr as may not be required by them to the Finance Department which will resume the savings. Savings so resumed will be re-alloted by the hinance Department, if necessary, when dealing with application for re-appropriations or supplementary grants or appropriations,

Reappropriations

Para 139. Every Chief Controlling Officer is expected to see not only that the total expenditure is kept within the total grant or appropriation placed at his disposal but also that the expenditure under each unit of appropriation is kept within the amount originally provided under that unit. Transfer of funds from one unit to another, i.e. reappropriation however, sometimes becomes unavoidable.

Para 140. **Reappropriation is permissible :** only when it is known or anticipated thatthe approppriation for the unit from which funds are diverted will not be utilised in full or that savings can definitely be effected in it. It is both objectionable and irregular to sanction a reappropriation from a unit under which no savings are anticipated at the time of saction in the expectation of restoring the original allotment under tha tunit later in the year by transferring to it savings that may than become available under other units

Para 141. **Reappropriation are not permissible :-**

(i) from one Grant to another (e. g., between "29 Medical and 30 Public Health");

(ii) from the Charged to the Voted section or vice-versa ;

(iii) to provide for new expenditure whether voted or charged until such expenditure has been authorised by an Appropriation Act ;

(iv) to increase or provide for the expenditure on an item the provision for which was specifically reduced or disapproved by the Assembly either through a substantive or a token cut ; and

(v) after the close of the financial year.

Budget and Control of Expenditure

No expenditure met from the Consolidated and Contingency Funds of a State on or after 1st April of a Financial Year will be protected by law unless authorised by an Appropriation Act passed in accordance with Article 204 of the Constitution. All disbursements from the Consolidated Fund during a Financial Year not duly authorised by an Appropriation Act passed by the Legislature will therefore constitute unauthorised expenditure.

The Tamil Nadu Budget Manual details the procedure to be followed for preparation and secutiny of Budget Estimates. The various processes involved in the proparation of Budget Estimates are shown in the statement enclosed.

Each grant specified in the schedule to the Appropriarion Act indicate the total sum available for carrying out the purposes falling within the ambit of the grant. The particulars of grant are based on the detailed estimates drawn up for the information of the Legislature. Distribution between the various sub heads and items gives broadly the purposes for which the grant is made and the expenditure is recorded againt the sub-head under which provission is made for the service.

A grant is intended to cover all the charge including the liabilities of past to years to be paid during the financial year. It is operative until the close of the year. Any unspent balance lapses and is not available for utilisation in the following year.

The responsibility for watching the progress of expenditure against a grant devolves on the Executives which is ultimately responsible for keeping the expenditure within the grant. Audit renders all assistance to the Executive in this matter and res that adequats arrangements exist in all departments of Government or control of expenditure.

Within the amount of the grant, all allotments to and re-appropriations within the sub-heads may be sanctioned by Government or by Subordinate authorities, when they are duly authorised to do so. According to paragraph 145 of the Madras Budget Manual, Finance Departments has powers to sanction re-appropriation of funds within the grant. The Controlling Officers have powers to sanction re-appropriation within the grant between heads falling within minor heads subject to certain conditions.

In the Audit Office Appropriation Audit is conducted in the stages :—

(i) Audit of orders of allotment of funds are re-appropriation :

(ii) Audit of expenditure agnist allotments.

In regard to orders of allotment and reappropriation, the salient features are as follows :—

(a) The authority making allotments under a grant is not allowed to allot amounts in excess of those available in the grant.

(b) The amount appropriated should be available under the unit from which it is allotted :

(c) The orders are issued by the Competent authority.

(d) The amount re-appropriated does not constitute "New Service" or "New Instrument of Service".

(e) Except in regard to Suspense Heads, the Budget is always for the gross expenditure to be incurred by the Department (i e), recoveries cannot be made uss of for incurring fresh expenditure.

The expenditure on new service scheme should not be incurred until vote of the Legislature is obtained. Where the expenditure is urgent, advance from the Contingency Fund should be obtained. In G.O.Ms. No 1550, Finance, dated 4th December 1972, Government have laid down limiis of expenditure beyond which new service procedure is to be followed. The corpus of the Contingency Fund is Rs. 1C0 crores. The Contingency Fund shall be held on behalf of the Governor by the Secretary to the Government in the Finance Department. However, in respect of cases which the Finance Secretary considers as special, the advance may be sanctioned by him and **post facto** approval by the Governor obtained Applications for advance from the Contingency Fund shall be made in the form prescribed under the Madras Contingency Fund Rules.

In the absence of exchequer's control the responsibility for keeping track of the progress of the expenditure and keeping it within the funds allotted rests entirely with the Drawing and Disbursing Officers and not the Treasuries where the disbursements take place. Where it is found from the progress of exenpditure that additional funds will be required advance action should be taken to apply for additional funds either by re-appropriatian or by supplementary grant-

The excess over a grant requires ex-post fact approval by the legislature Savings under grant represent the inability of the Department to carry out the various programmes as originally planned. To the extent the schemes are not executed as per plans the various benefits cotemplated to the public stand postponed. It is therefore the responsibility of the Executive to see that the various plans and programmes are executed and that the intended benefits are made available to the public, so that the amounts are made in a financial year are fully utlised. If for specific reasons funds could not be utlised full reasons therefor should be recorded. The various re-appropriation orders transferring funds from one head to another should be informative, give full

details as to why further provision is needed or the existing provision surrendered. Such orders will help audit to find out the exact reasons for the variations (excesses or savings) and to draft its comments for information of the Legislature through its reports.

When it becomes known that funds allotted cannot be fully utlised. they should be surrendered in time without waiting for the end of the year. Belated surrender of funds, while it dose not help the department to which funds have been allotted, dost not also help the Finance Department, in the matter of re-allocation of funds for other purposes at thes proper time.

Where schemes are administered by non-Government agencies, assistance is given by Government to the agencies in the form of loans, grants and share capital. The fact that the expenditure by way of assitance to the non-Government agencies has been recorded in accounts and the budget provision has been fully utilised does not imply that funds have been properly utilised by these agencies and the objects for which assistance is given been fulfilled. It is teerefore incumbet on the departmental authorities to keep as close watch over the proper utilisation of Government assistance by inspection and through periodical reports where there is no prospect of funds being utilised properly mmediate arrangement should be made for recovery, of the amounts along with interest, wherever necessary.

Pare 125. The rule require that the departmental figures of expenditure should be reconicled with those of the Accountant-General every month. The object of reconciliation is to see—

(a) that the departmental figures agree with those of the audit office;

(b) there has been no irregular drawal of funds from the Treasury which does not pertain to a particular office:

(c) that there is no misclassification by other departments:

202. **Functions of the Committee :-** The Public Accounts Committee shall scrutinize the appropriation accounts of the State and the report of the Comptroller and Auditor-General of India, and satisfy itself—

(a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged;

(b) that the expenditure conforms to the authority which governs it; and

(c) that every reappropriation has been made in accordance with such rules as may be prescribed by the competent authority.

The Committee shall bring to the notice of the Assembly—

(i) every case in which it is not so satisfied; and

(ii) any case which the Finance Department has requested should be brought to the notice of the Assembly.

It shall also be the duty of the Public Accounts Committee-

(a) to examine such trading, manufacturing and profit and loss accounts and balance sheets, as the Governor may have required to be prepared and the Comptroller and Auditor-General's report thereon; and

(b) to consider the report of the Comptroller and Auditor-General in cases where the Governor may have required him to conduct an audit of any receipts or to examine the accounts of stores and stock.

(c) If any money has been spent on any service during a financial year in excess of the amount granted by the House for that purpose, the Committee shall examine with reference to the facts of each case the circumstances leading to such an excess and make such recommendations as it may deem fit.

Budget Estimates

(Receipt and Disbursements)

Subordinate Officers

Heads of Departments-
other Estimating Officers

Finance Department ← with comments ← Administrative Departments of the Secretariat

(Part I-Estimates
Part II-Schemes)

Standing Finance Committee

Finance Department

Legislative Assembly

(Demands for Grants
Detailed Estimates)

Appropriation Bill and Act

Finance Department

Head of Department | Administrative Department of Secretariat

Controlling Officer
Disbursing Officer

List of Major Heads

Revenue Aeceipts	Aevenue Expenditure	Capital Expitaiture Loans and Advances
021 Taxes on income	220 Collection of taxes	
022 Taxes on Agricultural income	—do—	
	229 Land Revenue	
029 Land Revenue		
030 Stamps and Registration	230 Stamps and Registration	
039 State Excise	239 State Excise	
040 Sales Tax	240 Sales Tax	
041 Tax on vehicles	241 Tax on vehicles	
043 Taxes and duties on Electricity	243 Other taxes and duties on commodities	
049 Interest receipts	249 Interest payments	
051 Public Service Commission	251 Public Service Commission	
055 Police	255 Police	
056 Jails	256 Jails	
058 Stationery & Printing	258 Stationery & Printing	
059 Public Works	259 Public Works	459 Capital outlay on Public Works
	211 State Legislature	

CD 720.

Revenue Receipts	Revenue Expenditure	Capital Expenditure	Loans and advances
	213 Council of Ministers		
	214 Administration of Justice		
	215 Elections		
	252 Secretarial General Services		
	253 Dt. Administration		
	254 Treasury & Accounts Admtn.		
	260 Fire Protection and Control		
065 Other Administrative Services	265 Other Administrative Services	465 Capital outlay on other Administrative service	
066 Contribution and recoveries towards pension and other retirement benefits	266 Pensions & oter retirement benefits		
068 Miscellaneous General Services	268 Miscellaneous Services		
	266 Secretariat Social and Community Services		

077 Education	277 Education	477 Capital outlay on Eduction, Art & Culture	677 Loans for Education Art & Culture
078 Arts & Culture	278 Arts & Gulture	—do—	—do—
080 Medical	280 Medical	480 Capital outlay on Medical	680 Loans forM edical
081 Family Planning	281 Family Planning	481 Capital oulay on Family planning	
082 Public health, sanitation & water supply	282 Public health, sanitation & water supply	482 Capital outlay on Public Health	682 Loans for Public Health
083 Housing	383 Housing	483 Capital outlay on H ousing	683 Loans for Housing
084 Urban Development	284 Urban Development	484 Capital outlay on Urban Development	684 Loans for Housing Development
085 Information and Publicity	285 Information and Publicty	485 Capital outlay on Information and Publ icity	
087 Labour & Employment	287 Labour Employ- & ment		
088 Social Securtiy and Welfare	288 Social Security and Welfare	488 Capital outlay on Social Security & Welfare	688 Loans for Social Security and welfare
095 Other Social and Community services	289 Relief on account of Natural Calamities		

Revenue Receipts	Revenue Expenditure	Capital Expenditure	Loans and Advances
098 Co-operation	295 Other Social and Community services	495 Capital outlay on other Social and Community Services	695 Loans for other social and Community Services
104 Other General Economic services	298 Co-operation	498 Capital outlay on Co-operation	698 Loans to Co-operative Societies
	296 Secretariate-Economie services		
	304 Other General Economic Services	504 Capital outlay on other General Economic Services	704 Loans for other General Economic Services
105 Agriculture	305 Agriculture	505 Capital outlay on Agriculture	705 Loans for Agriculture
106 Minor Irrigation Soil Conservation	306 Minor Irrigation	506 Capital outlay on minor irrigation etc	706 Loans for Minor Irrigation etc.
	307 Soil & water conservation		
	308 Area Developopment		
109 Food and Nutrition	309 Food & Nutrition	509 Capital outlay on Food & Nutrition	709 Loans for food and Nutrition
110 Animal Husbandry	310 Animal Husbandry	510 Capital outlay on Animal Husbandry	710 Loans for Animal Husbandry
111 Dairy Development	311 Dairy Development	511 Capital outly on Dairty Development	711 Loans for Dairy Development
112 Fisheries	312 Fisheries	512 Capital outlay on Fisheries	712 Loans for *Fisheries*

113 Forest	313 Forest	513 Capital outlay on Forest	
114 Gommunity Develop-ment	314 Community Develop-ment	514 Gapital outlay no Community Develop-ment	
120 Industries	320 Industries	520 Capital outaly on Industries	720 Loans for Industrial Developmeut
128 Village and Small Industries	321 Village and Small Industries		
128 Mines & Minerals	328 Mines & Minerals	521 Capital outaly on Village and Small Industries	721 Loans for Small Industries
	331 Water and Power Development		
133 Irrigation, Navigation etc, Projects	333 Irrigation, Naviga-tion etc. Projects	533 Capital outlay on Irrigation Nevigation ect	
137 Roads and Bridges	337 Roads and Bridges	537 Capital outlay on Roads and Bridges	737 Loans for Roads & Bridges
138 Road and Water Transport	338 Road and water Transport service	538 Capital outlay on Road and Water Transport	738 Loans for Roads & Water Transport Services.
139 Tourism	339 Tourism	544 Capital Outlay on other Transport and Communication services	766 Loans to Govern-ment servants 767 Miscellaneous loans

PENSION RULES FOR EASY REFERENCE

I. INTRODUCTION

1\. 1. All Government Servants whether temporary or permanent are eligible for pensionary benefits subject to the conditions prescribed in Tamil Nadu Pension Rules, 1978, as amended from time to time and briefly indicated here in after. The pensionary benefits are —

(i) Pension or Service Gratuity.

(ii) Death - cum - Retirement Gratuity.

(iii) Family Pension.

1\. 2. The main conditions for the grant of pensionary benefits are (i) the service should be under Government (ii) the service should be paid by Government. The third condition that the service should be substantive has been relaxed since 1st October 1969 and from then on, all service whether officiating or substantive and whether in a temporary / permanent / officiating post will count for purpose of computation of Qualifying Service.

1\. 3. (a) To compute these pensionary benefits, the following three have to be verified/computed with reference to Service Book/Last Pay Certificate, etc —

(i) Qualifying Service

(ii) Average Emoluments.

(iii) Last Emoluments drawn.

(b) Hence, it would be seen that the maintenance of Service Book in complete and upto date shape and entries therein duly verified and authenticated by the competent authority, is essential. The record of verification of service with reference to pay bills and acquitances should be made periodically / annually in the Service Book under proper attestation. The date of birth

should be correctly noted and attested. If the Government servant had put in Military. / War service prior to his entry in the Civil Service, it should be properly verified with reference to Military Verification certificate and fact recorded in the Service Book and original Military Verification Certificate pasted therein for future reference.

Verification of Military Service for purpose of Pension - Instructions :- According to the provisions contained in Note (3) under Rule 16 of the Tamil Nadu Pension Rules 1978, for purpose of counting military service rendered by Government servants before civil employment for pensionery benefits, the Heads of Department should make a reference to the Audit Officers of the Defence Department concerned i. e. Controller of Defence Accounts, Pune etc., and verify the military service rendered by the Government servants as and when they are emertained in civil employment, since the records concened will be preserved only for a period of 12 years. Further, more the Head of Department should also record the periods of military services in the service Book of the Government Servants after due verification and acceptance by the Accountant General, Tamil Nadu. As most of the Departments have not followed these instructions the Government servants have been put to much hardship in counting their military service towards civil pension at a later date in view of non-availability of records with the Defence Departments.

The Heads of Departments/Departments of Secretariat should ensure that the instructions contained in Note (3) under Rule 16 of the Tamil Nadu Pension Rules, 1978 are scrupulously followed.

(Letter Ms. No. 331, Finance (Pension), dated 27th May 1982).

II QUALIFYING SERVICE :

2. 1. (a) Qualifying Service is to be computed, taking the total service to the date of his retirement/death in service; which will be termed as Gross Qualifying Service. The broken period of

a month. is to be calculated separately taking 30 day as a month, From the Gross Qualifying Service, the following are to be deducted to arrive at the Net Qualifying Service—

Gross Qualifying Service: Y. M. D.

DEDUCT: (1) Boys Service (Service prior to his completion of 18 years) (Rule 11 of Tamil Nadu Pension Rules, 1978).

(2) Extraordinary Leave without medical certificate (Rule 18. Tamilnadu Pension Rule. 1978).

(3) Suspension treated as such (Rule 20, Tamil Nadu Pension Rules, 1978),

(4) Overstayal of joining time. not regularised (Rule 24 of Tamil Nadu Pension Rules, 1978 and Rule 108 of Fundamental Rules).

Balance will be the Net Qualifying Service which is to be expressed in terms of completed half-year without an rounding of to the next higher half-year.

From 1—1—1986 fraction of 3 months or more will be treated as six months For the calculation of pension period less than 3 months will be ignored. This is not applicable to Gratuity.

(G. O. Ms. No. 24 Finance dt 13—1—1986)

		Y.	M.	D.	
For example:	(i)	30	5	20	is 60 half-years
	(ii)	30	6	00	is 6I half-years,

(Rule 43(3) of Tamil Nadu Pension Rules 1978).

(b) Overstayal of joining time, if not regularised either by extension of joining time or by grant of leave, will be treated as "overstayal of joining time" (vide F R. 108). This period will not Count for pension.

(c) The period of suspension should be decided at the time of finalising a proceeding against a Government servant. If this period of suspension is partly treated as duty and partly as punishment, then the punishment period will be treated as duty and so it will not count for pension. If the entire period is not treated as duty then, that entire period will not count for pension.

III. AVERAGE EMOLUMENTS

(a) First of all 'Emoluments' mean (i) Pay (ii) Special pay, (iii) Personal pay, (iv) Dearness pay and (v) any other remuneration which is specially classed as 'emoluments' by the Government

(vide Rule 30 of Tamil Nadu Pension Rules, 1978).

(b) "Average emoluments" means the average of monthly emoluments actually drawn during the last 10 months of the service of the Government Servant before his retirement. If during this period, a Govenment Servant was on Extraordinary Leave or on suspension treated as such; then the period of calculation of 10 months is to be prepared to arrive at a total period of 10 months.

(c) It will therefore be seen that only amounts actually drawn during the last 10 months have to be taken into account and not any amount which was not actually drawn But there some exceptions (vide Notes under Rule 30, 31 of Tamil Nadu Pension Rules, 1978). They are as follows:-

(i) Instead of the actual leave salary drawn during Earned Leave or Half-Pay Leave, etc. the duty pay which he would have drawn but for his going on leave, will count.

(ii) The increment which accrued during the Earned Leave of less than 120 days or the first 120 days of Earned Leave, if the total Earned Leave taken at a time exceeded 120 days though not actually drawn will be treated as having been drawn and included in the calculation of Average Emoluments.

(d) Pay drawn in foreign Service cannot be considered as 'Emoluments' for purpose of calculation of pensionary benefits, Only, the pay which he would have drawn in Government Service but for going on Foreign Service will count.

(Note 7 under Rule 30 of Tamil Nadu Pension Rules, 1978).

(e) But, pay drawn in a tenure post will count subject to two conditions, viz., (i) it is paid by the Government, and (ii)

the service in tenure post does not qualify for additional pension. (Note 5 under Rule 50 of Tamil Nadu Pension Rules 1978).

IV. PENSION & SERVICE GRATUITY TABLES

4. 1. Pension, which is a monthly payment after retirement calculated as per rules, will be payable only if a person completes a minimum Qualifying Service of 10 years (i. e, 20 half-years) as per the graded scales indicated below, inlist 'B' in the case of retirement on or before 30th September 1979 afternoon. In the case of retirement on or after Ist October, 1979, the calculation of pension, will be, as indicated in list 'C' with reference to G. O. Ms. No. 57. Finance (Pension) dated 2nd February 1980. In the case of retirement, where the total completed half year of Qualifying Service is less than 20, the pensioners will be eligible for a lump sum payment of "Service Gratuity" in lieu of pension as per the graded scale indicated in list (A)

LIST 'A'—

Service Gratuity (lump-sum payment).

Completed half-year period.	Rate of gratuity.	
1	½	months emoluments.
2	1	Do.
3	1½	Do.
4	2	Do.
5	2½	Do.
6	3	Do.
7	3½	Do.
8	4	Do.
9	4⅜	Do.
10	4¾	Do.
11	5⅛	Do.
12	5½	Do.
13	5⅝	Do.
14	6¼	Do.
15	6⅜	Do.
16	7	Do.
17	7⅜	Do
18	7¾	Do.
19	8⅛	Do.

(Vide List 'A' Gratuity under Rule 43 (1) of Tamil Nadu Pension Rules, 1978,)

LIST 'B'—

Pension (monthly payment) (retirement prior to 1st October 1979),

Completed half year period.	Rate of pension.	
20	15/80	of average emoluments.
21	15.5/80	Do.
22	16/80	Do.
23	16.5/80	Do.
24	17/80	Do.
25	17.5/80	Do.
26	18/80	Do.
27	18.5/80	Do.
28	19/80	Do.
29	19.5/80	Do.
30	20/80	Do.
31	20.5/80	Do.
32	21/80	Do.
33	22.5/80	Do.
34	22/80	Do.
35	22.5/80	Do.
36	23/80	Do.
37	23.5/80	Do.
38	24/80	Do.
39	24.5/80	Do.
40	25/80	Do.
41	25.5/80	Do.
42	26/80	Do.
43	26.5/80	Do.
44	27/80	Do.
45	27.5/80	Do.
46	28/80	Do.
47	28.5/80	Do.
48	29/80	Do.
49	29.5/80	Do.
50	30/80	Do.
51	30.3/80	Do.
52	30.6/80	Do.
53	30.9/80	Do.

54	31.2/80	Do.
55	31.5/80	Do.
56	31.8/80	Do.
57	32 1/80	Do.
58	32 4/80	Do.
59	32.7/80	Do.
60 and above	33/80	Do.

[List 'B' — Pension under Rule 43 (2) of Tamil Nadu Pension Rules, 1978 as amended]

LIST 'C' —

Pension (monthly payment) in the case of retirement on or after 1st October 1979.

(I) In the case of Government Servant completing 33 years of Qualifying Service and above, the pension is calculated as the following rate:-

50 per cent of the first Rs. 1,000 of average emoluments.

45 per cent of the next Rs. 500 of average emoluments.

40 per cent of the balance.

(ii) In the case where the Qualifying Service is less than 33 years or 60 half-years, the pension will be proportionate to that calculated as in (i) above in the same ratio as the actual completed half-year service bears to 66 half-years,

Example. — (1) Average Emoluments = Rs. 900—

(a) For 66 half-years of Qualifying Service and above — Rs. 900 × 50 per cent - Rs. 450.

(b) For 63 half-years of Qualiying Service — Rs 450 - $\frac{63}{66}$

(2) Average Emoluments = Rs. 1,200—

(a) For 66 half-years of Qualifying Service and above — First 1,000 × 50 per cent - Rs. 500

Next 200 × 45 per cent = Rs. 90

Pension Rs. 590

(b) For 61 half-years of — Qualifying service Pension = Rs. 590 × $\frac{61}{66}$

(3) Average Emoluments = Rs. 1,800— Rs. P.

(a) For 66 half-years of Qualifying Service and above ... First 1,000 × 50 per cent = 500 00

First	1,000 × 50 per cent =	500 00
Next	500 × 45 per cent =	225 00
Balance	300 × 40 per cent =	120 00
	Pension	845 00

(b) For 58 half-years of Qualifying Service — Pension Rs. 845 × $\frac{68}{66}$

In the case of retirement between 1st October 1979 and 31st December 1980, if the Government Servant excrcised option on or before 33th June 1980 to adpot the old formula as indicated in List 'B' then the pension will be calculated as per List 'B' instead of as per List 'C'.

V DEATH-CUM-RETIREMENT GRATUITY

This is calculated on the last emolument drawn by the Government Servant before his retirement at the rates indicated below for each completed half-year of Qualifying Service in the case of retirement on or before 30th September 1979, provided he has completed at least 5 years of Qualifying Service at the time of his retirement.

Comleted half year	Amount of Gratutiy	
10	3 months emoluments.	
11	3.3	Do.
12	3.6	Do.
13	3.9	Do.
14	4 2	Do.
15	4.5	Do.

16	4.8	Do.
17	5.1	Do.
18	5.4	Do.
19	5.7	Do.
20	6.0	Do.
21	6.3	Do.
22	6.6	Do.
23	6.9	Do.
24	7.2	Do.
25	7.5	Do.
26	7.8	Do.
27	8.1	Do.
28	8.4	Do.
29	8.7	Do.
30	9.0	Do.
31	9.3	Do.
32	9.6	Do.
33	9.9	Do.
34	10.2	Do.
35	10.5	Do.
36	10.8	Do.
37	11.1	Do.
38	11.4	Do.
39	11.7	Do.
40	12.0	Do.
41	12.3	Do.
42	12.6	Do.
43	12.9	Do.
44	13.2	Do.
45	13.5	Do.
46	13.8	Do.
47	14.1	Do.
48	14.4	Do.
49	14.7	Do.
50	15.0	Do.
51	15.15	Do.
52	15.30	Do.
53	15.45	Do.
54	15.60	Do.
55	15.75	Do.
56	15.90	Do.
57	16.05	Do.
58	16.20	Do.
59	16.35	Do.
60	16.50	Do.

(Subject to a maximum of Rs. 50,000)

[Rule 45 (1) of Tamil Nadu Pension Rules, 1978 as amended.]

5.1. In the case of retirement on or after 1st October, 1979, the Death-cum-Retirement Gratuity is calculated at ¼th of the last emoluments drawn for each completed half-year of service, subject to a maximum of 16½ times of last emoluments drawn, subject to a minimum of Rs. 50,000 (w. e. f. 1—10—84)

(G. O. Ms. No. 57, Finance (Pension) dated 2nd February 1980).

5.2. From 1—10—1984 the maximum limit for Death-cum-Retirement Gratuity has been raised from Rs. 36,000 to Rs. 50,000

(G O.Ms.No. 1165 Finance (Pension), dated 31—10—1985)

5.3. In the case of death in service, while calculating Death-cum-Retirement Gratuity, as per the formula indicated above, the minimum Death-cum-Retirement Gratuity payable is as follow :-

(i) In the case of less I year Qualifying Service — 2 times the last emolument drawn

(ii) Between 1 year but less than 5 years Qualifying Service — 6 times the last emoluments drawn

(iii) For 5 years of Qualifying Service and more — 12 times the last emoluments drawn

5.4. In the case of a Government Servant, who is eligible for pension and also Family Pension, a deduction of one month emoluments from Death-cum-Retirement Gratuity as calculated above is to be made, in case of retirement cum death in service on or before 28th February 1978. No such deduction need be made in the case of retirement or death in service on or after 28th February 1978 (Rules 45 (4) Tamil Nadu Pension Rules, 1978 as amended and G. O. Ms. No. 124, Finance (Pension), dated 22nd February 1978).

5.5. Payment of interest on Gratuity amount remaining unpaid for more than two months with effect from 1st January 1974 - An interest of eight percent per annum shall be paid on Gratuity remaining unpaid for more than two months from the

date of retirement – This order apply to all those Government servants who retired on or after 1st January 1974. For the calculation of interest, fractions of a month shall be ignored.

The pension sanctioning autherity shall keep a record of such interest payment and fix responsibility for the delay on the persons concerned and send a report to Government in the Finance Department.

The expenditure on payment of interest shall be debited to the same Head of Account to which the gratuity is debited,

(G. O. Ms. No. 1475, Finance (Pension) dated 23rd November 1973).

VI. FAMILY PENSION

Family pension is granted to the family of an Officer who dies while in service or after his retirement. This is also granted to the family of the employee who commits suicide.

6.1. Family – for the Purpose of Family Pension :

(i) Wife or Husband

(ii) Minor sons

(iii) Unmarried Minor daughters (age up to 24 years or till the date of their marriage whichever is early).

(iv) In the case of unmarried Government Servant, Father failing Mother, subject to the condition that Father or Mother was dependent on the deceased Government Servant.

(v) Adopted children including legally adopted or ceremoniously adopted children.

(vi) Marriage after retirement cannot be recognised for the purpose of family.

(vii) Step mother (G.O.Ms.No. 1055 Fin. dt. 28—12—1983)

6.2. Calculation of Family Pension :

(a) (i) This is also calculated with reference to last emoluments drawn and the rate prescribed for different pay slab (as indicated below) till 31st March 1979 and in case of retirement or death in harness on or after 1st April 1979

If last emolument drawn is	Percentage of last emoluments drawn	Minimum
(1) Below Rs. 200	30 per cent	Rs. 50-00
(2) Rs. 200 and above but below Rs. 800	15 per cent	Rs. 60-00
(3) Rs. 800 and above	12 per cent	Maximum Rs. 800 Minimum Rs. 235

(Rule 49 (2) (b) Tamil Nadu Pension Rules, 1978 and G. O. Ms. No. 1818, Finance (Pension), dated 27th December 1971).

Family Pension is to be calculated at the uniform rate of 30 per cent, subject to a minimum of Rs. 235 per mensem and maximum of Rs. 800.

(G.O.Ms No. 562 (Finance (P.C.) Dept. dt. 10—6—1985).

(b) In relaxation of Rule No. 5, Tamil Nadu Pension Rules, 1978, it has been ordered that in the case of persons who retired between 1st April 1964 to 31st March 1979, but dies on or after 1st April 1979, even though the Family Pension would have already been calculated at the rates indicated above and Joint Pension Payment Order issued, it may be revised adopting the uniform rate of 30 per cent applicable to persons retiring or dying in harness on or after 1st April 1979, as a special case.

(G.O Ms.No. 748, Finance (Pension), dated 26th May 1979 read with G.O.Ms.No. 1 Finance (Pension), dated 2nd January, 1980).

(c) In all cases the Family Pension calculated should not exceed the uncommuted value of pension.

(d) In the case of death in harness, if the deceased Government Servant had put in at least 7 years of Qualifying Service at the time of his death, then the family is eligible for enhanced rate of Family Pension as indicated below for a limited period of 7 years from the date of death or upto the date of superannuation, if he remained alive, whichever is less and there after at the normal rate of Family Pension :

Enhanced rate:

(i) half of the last emoluments drawn; or

(ii) twice normal Family Pension; or

(iii) Rs. 500 whichever is less.

6 3. **Family pension is Payable:**

(i) to the widower as the case may be

(ii) failing, the minor sons or unmarried minor daughters

(iii) In the event of death or remarriage the family pension shall be payable to the minor sons (till the age 21 years) or minor daughters (age upto 24 years or till the date of their remarriage whichever is early)

(iv) If the deceased Government Servant's wife is minor, the Family Pension shall be paid through guardian, who produces, guardianship Certificate.

(v) In case of more than one widow, the pension shall be paid in equal shares and in the event of death of one of the widows, her share shall be paid to her minor child, if the widow does not have child her share will lapse.

(vi) Family pension shall be shared equally by the widow and the minor child of the another LATE wife of the deceased Government Servant.

(vii) Family pension shall not be paid to more than one member of the family at a time except in the case of (v) referred above

VII. RETIRING PENSION

(Rule 42 of T.N.P. Rules, 1978).

7.1 **VoluntaryRetirement:-** (i) A Government Servant after completing 25 years of qualifying Service or 50 years of age may retire voluntarily after giving to the appointing authority a notice in writting at least 3 months before the date on which he wishes to retire. However, he cannot withdraw such notice subsequently except with the specific approval of that authority and the withdrawal should be before the date from which he originally wanted to retire,

(ii) Under F.R. 56 (e), Government employees even after completing only 20 years of qualifying service may retire voluntarily with pensionary benefits. In such cases, he will be given a weightage upto a maximum of 5 years or upto his reaching 25 years of qulifying service or 50 years of age which ever is less.

The weightage given under this scheme shall be an addition to the qualifying service for the purpose of calculating/pension and graduity only and it shall not entitle the Government servant retiring voluntarily to any notional fixation of pay for the said purpose. The pension and gratuity shall be based on the average emoluments on the date of reirement.

Age on the date of retirement.	Qualifying service.	Admissible weightage.
45	20	5 years
48	21	2 years
45	24	1 year
51	20	Nil
48	25	Nil

(G.O.Ms No. 1327, P and A.R. (F.R.) dated 27th November. 1978; incorporated in F.R. 56 (e) in G,O.Ms.No. 577, P and A.R. (F.R.I.) dated 14th June 1981).

(iii) The three months notice period is to be reckoned from the date of its receipt in the office of the immediate superior if he has to address the appointing authority through proper channel or the date of receipt in the office of the appointing authority.

(Government letter No. 74800/79-2, P and A.R. (F,R.I) dated 3rd November 1979).

7.2 Compulsory Retirement: (Rules 42 and 32 T.N.P.R. 1978)

(i) Similarly, the appointing authority can order compulsory retirement of a Government Servant in Pnblic interests after giving three months notice or three months pay in lieu of such notice

at any time after the Government Servant has attained the age of fifty years or fifty-five years in the case of Basic Servant, as the case may be, or after he has completed thirty years of qualifying service (F.R. 56 (d) as amended in G.O.Ms.No. 789, P and A.R. (F.R.I,) dated 27th July 1981).

(ii) In such cases, when the Government Servant has been compulsory retired from service as a penalty he may be granted by the authority competent to impose such penatly, pension or gratuity or both, at a rate not less than 2/3rd of normal pensionary benefits due to him if he retired normally on that date of compulsory retirement

7.3. Invalid Pension: (Rule 36, T.N.P.R. 1978)

This is granted to a person who by physical or mental infirmity, is permanently incapacited for the public service.

The date of effect of retirement will be the date of Medical Certificate, if the Government Servant was on duty or the date on which he will return to duty, if he was on leave during the period when Medical Certificate was granted.

If the infirmity is curable and the Government Servant refuses to get cured by operation or otherwise, no pension or gratuity need be admitted, if the competent authority decides so on merits.

If the medical authority recommends a less laborious work than the one which he is presently involved than the Government servant may be apppointed to that less laborious work on a lower pay or otherwise if he does not accept that post, he can be granted pension.

7.4. Compensation Pension: (Rule 38, T N P R. 1978)

This is granted to a person who is discharged from service after giving 3 months notice owing to the abolition of a permanent post, if the Government Servant refuses to accept another appointment on such pay as may be offered.

No compensation pension is payable for the period in respect of which he receive pay and allowances in lieu of notice.

VIII. CALCULATION OF PENSION

Illustration:

'A' a Pensioner retired after 1st April 1978 draws a minimum pension of Rs. 125 His pension on 1st October 1984 is taken as follows:

	Rs.
Pension	125
Dearness Allowance at 523 points (26 instalments o; Dearness Allowance)	78
	203
Add 7 percent of pension subject of a minimum of Rs. 10	10
Add ad hcok relif ------	20
Total	233
Revised Original Pension fixed --- minimum pension	235
Pension increase from 1st October 1984	-- 32

Illustration 2

'B' a pensioner retired between 2nd October 1970 and 31st March 1978 sanctioned revised original pension Rs. 333 fixed with effect from 1st October 1979 and draws reduced pension of Rs. 250 after deducting the Commuted portion (approximately) of Rs. 80 out of his original pension. His pension on 1st October 1984 is fixed as follows:

	Rs.
Reduced Pension	250
Dearness Allowance at 528 points over original pension ----	104
Total actually drawan at 428 point	354 'A'

Revised Original Pension	330
Dearness Allowance at 528 points	104
	434
Add 10 per cent of revised original pension	33
Add adhoc relief	20
Total ...	487
Revised Pension	487
Pension admissible from 1st October 1984 after deducting commuted portion	407 'B'
Pension increase 'B' 'A'	53

Illustration 3

'C' a Pensioner retired between 1st June 1980 and 1st October 1970 was sanctioned revised original Pension of Rs. 500 fixed with effect from the Ist October 1979. After commuting a sum of Rs. 100. (approximately) the Pensioner is drawing a reduced Pension of Rs. 400. His pension 1st October 1934 is fixed as follows :—

	Rs.
Reduced Pension	400
Dearness Allowance at 528 points no original Pension	130
	530 'A'
Original pension	500
Dearness Allowance at 528 points	130
	630
Add 15 per cent of revised original Pension ...	75
Add ad hoc relief	20
Revised Pension	725

Pension admissible from 1st October 1984 after deducting commuted portion	625 'B'
Pension increase 'B' — 'A' ...	95

Illustration 4

'D' a Pensioner retired to 1st June 1960 was sanctioned revised original pension of Rs. 180 fixed with effect from the 1st October 1979. He has commuted Rs. 20 (approximately from out of his original pension) and now drawing a pension of Rs. 160 His pension on 1st October 1984 shall be fixed as follows :—

	Rs.
Reduced Pension drawn on 1st October 1983 ...	160
Dearness Allowance at 528 points	78
	238 'A'
Revised Original Pension ... —	180
Dearness Allowance at 528 points ... —	78
	258
Add 30 per cent of revised original ...... pension	54
Add ad hoc relief	20
	332
Less commuted portion	20
Pension admissible from 1st October 1984 ... —	312 'B'
Pension increase 'B' — 'A'	74

Illustration 5

'E' a Superintendent retired on attaining the age of superannuation on 31st October 1984 with a qualifying service of 30 years. He had a qualifying service of 30 years on 30th September 1984 as well as on 31st October 1984. The details of pay drawn and the pension admissible to him are given below : —

Pre revised pay scale — — Rs. 525-25-675-30-855-35-925

Revised Scale of Pay ... ... Rs. 905-45-1,445-50-1,545

Date of increment ...... 1st July

Period reckoned for calculation pension ...... 1st January 1984 to 31st October 1984.

Pay drawn ......

(1) Rs. 795 from 1st January 1984 to 30th June 1984.

(2) Rs. 125 from 1st July 1984. to 30th September 1984.

(3) Rs. 1,310 from 1st October 1984 to 30th October 1984.

Average pay —

1st January 1984 to 30th June 1984 ...... 795 × 6 = 4,770
1st July 1984 to 30th Septemper 1984 ... 825 × 3 = 2,475
1st October 1984 to 31st October 1984 ... 1,310 × 1 = 1,310

8,555

Average Pay ... ... Rs. 856
50 per cent ... ... Rs. 428
Fension (at 528 points) ... $\frac{428 \times 30}{33}$ Rs. 389.09 or Rs. 390

Pension calculated as per paragraph 2 of the order Average pay
1st December 1983 to 30th June 1984 ... ... 795×7 5,565
1st July 1984 to 30th Septemper 1984 ... ... 825×3 2,475

8,040

Average pay ... ... Rs. 804
50 per cent ... ... Rs. 402
Fension ... ... $\frac{422 \times 30}{33}$ Rs. 365.45 or Rs. 366

Pension on 30th September 1984 ... Rs. 366
7 per cent pension increase ... Rs. 26

Ad hoc relief	... ...	Rs. 20
Dearness Allowance at 528 points	...	Rs. 104
total	...	Rs. 516 'B'

As the pension calculated under 'A' is less than that under 'B' the pension of the employee from 1st November 1984 (payable in December) shall be as at 'B' (i.e.) Rs. 516.

Illustration 6

'F' a Selection Grade Driver retired on attaining the age of superannuation on 31st January 1985 with a qualifying service of 25 years; on 30th September 1984 his qulifying service was only 24-1/2 years The detils of pay drawn and pension admissible to him are given below:—

Pre-revised scale	... Rs. 325—10—425—15—550
Revised Scale	... Rs. 610—20—730—25—955 30—1,075
Date of increment	... 1st October
Period reckoned for calculation of Pension	1st April 1984 to 31st January 1985.
Pay drawn	(1) Rs. 505 from 1st April 1984 to 30th September 1984. (2) Rs. 905 from 1st October 1984 to 31st January 1985.

Average pay:

1st April 1984 to 30th September 1984	... Rs. 505 × 6	3,030
1st October 1984 to 31st January 1985	— Rs. 905 × 4	3,620
		6,650

Average 'Pay'	... Rs. 665
50 per cent	... Rs. 332.50

Pension (at 528 paints) $\frac{332 \times 25}{33}$ Rs. 251.89 or Rs. 252 'A'

Pension calculated as per paragraph 2 of the order :

Average Pay :

1st December 1983 to 30th September 1984	Rs. 505 × 10 5.050
Average pay	Rs. 505
Pension $\frac{2525 \times 24\text{-}1/2}{33}$	Rs. 187.46 or Rs. 188

Pension on 30th September 1984	Rs. 188
7 percent increase	Rs. 13
Ad hoc relief	Rs. 20
Dearness Allowance at 528 point	Rs. 78
	Rs. 299

As the Pension calculated at 'A' is less than that under 'B', the pension of the employee from 1st February 1986 (payable in March 1985) shall be as at 'B' i.e., Rs. 299.

IX. COMMUTATION OF PENSION

(Tamil Nadu Civil Pensions (Commutation Rules, 1944— Part IV of Tamil Nadu Pension Rules).

9.1. Under these rules, a Government servant to whom the Madras Liberalised Pension Rules, 1960 apply shall be allowed to commute for a lump payment any portion not exceeding one third of the Pension granted to him by Government.

9.2. Sanctioning authorities (Pension sanctioning authorities) may, in their discretion refuse commutation of pension in case of a pensioner who has been guilty of grave misconduct.

9.3. The lump sum payable on commutation shall be calculated in accordance with the table or tables of present values which may be prescribed from time by Government. The table of the present values is given below. (Commutation Table, prescribed under rule of the Civil Pension (Commutation Rule effective from 1st March 1971).

9.4. Commutation when sanctioned shall take effect on a date to be specified in the order. Such date shall ordinarily be about one month from the date of order and all calculations shall be made with reference to the date specified. Payment of commuted portion of pension shall cease from the date specified and the sum payable on commutation shall be paid with reference to the date so specified.

9.5. A commutation once given effect to cannot be rescinded, that is, the portion of the pension commuted cannot be restored on refund of its capitalised value.

9.6. If the pensioner dies on or after the day following that on which commutation took effect but before receiving the commutation value, such value shall be paid to his heirs.

9.7. According to the orders in G. O. Ms. No. 137, Finance (Pension) Department, dated 24th February 1978, State Government employees who apply for commutation of pension within one year from the date of retirement on superannuation on or after 28th February 1978 will not be subjected to medical examination. These orders will not apply to pensioner retiring otherwise than on superannuation and will not also cover persons retiring on superannuation who apply for commutation of pension after one year of their date of retirement.

9 8. However, these rules (Tamil Nadu Civil Pensions (Commutation Rules, 1944) shall not apply to employees to local bodies whose pensions are regulated uuder Tamil Nadu Pension Rules 84 (5).

Commutation of pension :

Example 1 (on superannuation) :-

Pension	... Rs. 600
Commuted portion (not exceeding 1/3rd)	... 200 (1/3rd of pension)
Age next birth day	... 59 (Retired on superannuation on attaining 58 years of age)
Commuted value (as per table	... 10.46 per rupee.

Example 2 (on voluntary retirement) :-

Pension	... Rs. 900
Commuted portion (not exceeding 1/3rd)	... Rs. 300 (1/3rd of pension)
Age on voluntary retirement	... 45
Age next birth day	... 46
Commutrd value (as per table)	... 14.37
Commuted value of Rs. 300 p. m.	... Rs. 300 × 14.37 × 12 = Rs. 51,732

9. 9. Restoration of Commuted portion of pension :- (G. O. Ms. No. 242, Finance (Pension), dated Ist April 1981):-

(i) The commuted portion of the pension of all these pensioners who are on Ist April 1981 have completed fifteen years from the date of their retirement, shall be restored in full irrespective of their date of commutation; and

(ii) other pensioners shall be allowed restoration of the commuted portion of their pension as and when they complets fifteen years from the date of retirement.

This order shall take effect from Ist April 1981.

9. 10. Procedure for restoration of Commuted Portion of Pension : (i) A pensioner who is eligible for the restoration of the commuted portion of the pension under the G. O. cited

shall send an application (in the form indicated in the annexure) directly to the Accountant-General, Tamil Nadu I (PA IX Section) Periyar Building, Madras-600 035.

(ii) The pensioner shall also append a Life Certificate.

Annexure.

Form for application of restoration of commuted portion of pension.

1) Name of the pensioner :

2) Pension payment Order Number :

3) Date of retirement :

4) Date of commenecement of pension :

5) Amount of original pension :

6) a) Amount commuted :

   b) Date of effect of reduced pension :

   c) Amount of reduced pension :

7) Date of completion of 15 years after retirement :

8) Date of restoration of original pension :

9) Amount of pension after restoration :

10) Name of Treasury/Sub-Treasury/Pay and Accounts Officer from which pension is now drawn :

Commutation Values of a Pension of Re. 1 per Annum

(G. O. Ms. No. 926. Fin. dated 25th June 1977.)

Age next birthday	Commutation value expressed as number of year's purchase.
17	19.28
18	19.20
19	19.11
20	19.01
21	18.91
22	18.81
23	18.70
24	18.59
25	18.47
25	18.34
27	18.21
28	18.07

29	17 93
30	17.78
31	17.62
32	17.46
33	17.29
34	17.11
35	16.92
36	16.72
37	16.52
38	16.31
39	16.09
40	15.87
41	15.64
42	15 40
43	15.15
44	14 90
45	14.64
46	14 37
47	14.10
48	13 82
49	13.54
50	13.25
51	12.95
52	12.66
53	12.35
54	12.05
55	11.73
56	11.42
57	11.10
58	10.78
59	10.46
60	10.13

X. PREPARATION OF PENSION PAPERS

(Tamil Nadu Pension Rules 5 to 7)

Pension papers have to be processed before one year of the actual date of retirement of a Government Servant.

In the case of Government servants who retired on or after 1st October 1969 temporary or officiating service, whether rendered in a regular capacity or not, shall count in full as qualifying service even if it is not followed by confirmation. All

the leave with allowances and Extraordinary Leave on medical Certificate will count for pension and gratuity.

Documents to be obtained from the retiring Government servants:- (1) Formal application from (Form 5).

(2) Two specimen signature duly attested.

(3) Two copies of passport size photographs of the Government servant.

(4) List of family members with the date of birth.

(5) Two slips each showing particulars of height and identification.

(6) Surety bond in Form 9.

The Head of Office should send the above documents along with service book to the pension sanctioning authority one year in advance duly preparing Form No 6. if he is satisfied that no disciplinary case is pending against the Government servant. The sanctioning authority will accord necessary sanction in Form 6 an forward pension paper to the Accountant General Madras. for admittance of pension and gratuity. After the admittance of pension and gratuity is received from the Accountant General, Madras, the sanctioning authority will forward a copy of Accountant General admittance to the head of office in which the pension proposals was rrcevied along with service book, Soon after the retirement of the Government servant, the following entries may be made in the service book and the fact reported to the sanctioning authority:-

(1) The fact of retirement.

(2) Certificate of verification till retirement.

(3) Closing of leave account.

The Last Pay Certificate duly nothing the recoveries if any, is also sent to the sanctioning authority, in turn, reports the above details and send the Last Pay Certificate to the Accountant General for authorising the drawal of the pension and death cum Retirement to the sanctioning authority.

Encashment of Earned Leave:- The Earned Leave at the credit of the Government servant on the date of superannuation or retirement can be sanctioned by the authorities who are now sanctioning the leave. But the surrender leave salar'ys subject to the deduction of pension, pension equivalent of death cum Retirement Gratuity and the Dearness Allowance granted to the pensioners Such deduction need not be made in cases of retirement on or after 28th February 1978.

In the case of death while in service on or after 13th October 1976 no deduction towards family pension or pension equivalent gratiuty need be made from the surrender leave salary vide G O. Ms. No. 1048, Finance (Pension) dated 13th October 1976.

XI PROVISION OF IMMEDIATE RELIEF TO THE FAMILIES OF GOVERNMENT SERVANTS WHO DIE WHILE IN SERVICE:-

The families of all Government servants including Gazetted Officers in permanent or temporary employees who die while in service (whether on duty or on leave with or without pay) shall be eligible for immediate relief in the form of an advance equal to three month's pay of the deceased or Rs. 1,000 whichever is less The Heads of Department/Heads of Office are authorised to sanction the advance. The advance should be adjusted against the arrers of salary due. Death–cum–Retirement Gratuity, Provident Fund accumulations or any other payments due to the deceased as soon as possible, and in any cases, within six months from the date of sanction Where the advance cannot be so adjusted for the reason that it more than the payments due to the deceased under the rules, the balance remaining to be so adjusted should be recovered from the lumpsum amount of Rs. 20,000 payable to the Family of the Government employee who dies while in service under the Tamil Nadu Government Servant's Family Benefit Fan Scheme.

2) In the case of a Govennment Servant who was eligible for the benefits of the Madras Liberalised Pension Rules, 1960 the payment of advance should be made only to the person or persons nominated by him or otherwise eligible (i e. where there is no nomination) to receive the Death-cum-Retirement Gratuity in the same proportion as they are entitled to. In the case of a Government Servant who was not eligible for the benefits of Madras Liberalised Pension Rules 1960, but was a subscriber to the Contributory Provident Fund (Madras) or the General Provident Fund (Madras) payment should be made to the persons or persons nominated by him in the same proporation as they are entitled to the Provident Fund amount as specified in the nomination. In case, where no nomination has been made and there is family, the payment should be made to the person or persons entitled to receive the amount under Rule 25(i) (b) of the Contributory Provident Fund Rules (Madras) or Rule 30(i) b) of the General Provident Fund Rules (Madras) as the case may be and in cases where there is no family, the payment should be made to the person or persons entitled to the amount under the Provident Fund Act, 1925.

3) In all cases, an undertaking should be taken from the person or persons concerned, before the payment is made, that he/she/they agree to the amount being deducted from the Death cum Retirement Gratuity or the Contributory provident Fund amount or the General Provident Fund amount of the Death-Gratuity admissible under ruling 5 to rule 4 of the Madras Liberalised Pension Rules, 1960 ultimately payable to him/her/them

4) The advance shall be debited to '766 Loans to Government Servants-AE Other Advances-22, Relief Advance to Government Servants who die while in service". The sanction order communicated by the Head of Department/Head of office to the Accountant General should contain the following particulars

1) Name of Official (Gazetted or non gazetted)
2) Designation and office in which the person has been last working
3) Last Pay drawn (permanent or officiating)
4) Amount of advance sanctioned.
5) Provident Fund Account Number.
6) Name of the Payee.

XII. PENSION - MISCELLANEOUS RULES :

12.1. Employment opportunity to the family member in the event of death of a Government Servant :

1) The dependents of the deceased Government Servant are eligible for appointment to suitable posts on compassionate grounds without consulting the employment exchange

Dependents of the Government servant includes.

a) Wife/Husband, son or unmarried daughter.
b) Legally adopted son/unmarried daughter.
c) The husband of the deceased Government Servant.

(G. O. No. 225 Labour dt. 15-7-72 Govt. Memo. No. 31275/76-2 Labour dt. 31-12-76)

(G. O. No. 560 Labour dt. 3-8-77, Govt. Lr. No. 15672/N.II/78-2 Labour dt. 4-5-78)

(G. O No. 2607 Labour dt. 20-11-81, Govt. Memo. 23660/N-II/74-3 Labour dt. 20-9-74)

2) a) If the deceased Government Servant was a 10(a) (1) candidate, This dependents are not eligible for Employment assistance concessions.

b The appointing authority can appoint the dependents to the suitable posts depending on their qualification, without consulting Employmen t exchange if the posts are not covered by T. N P. S C, and if the posts are covered by TNPSC, the appointing authority can make temporary appointment pending regular appointment to the post.

(c) The dependents appointed on the compassionate grounds should not be ousted otherwise for want of vacancy and in case if ousted for want of vacancy, will be done so according to the seniority list.

(G. O. Ms. No. 560 Labour dated : 3-8-77)

(3) The dependents of the deceased Government Servant should apply for appointment before they attain the age of 30 years and shall be appointed to any suitable post at any time within the age of 30 years.

(G. O. No. 1579 Labour dt 21-7-81; Govt Lr: No. 2563/NI/82-2 Labour dt 11-3-82)

(G. O No. 2440 Labour dt. 19-11-82)

(4) In the case of widows they shall be appointed before the age of 40 years and in deserving case of widows, the heads of departmants may send proposals for relaxation of rules.

(Govt. Lr. No. 43242/NI-81-9, dt. 1-6-82)

(5) In the case of widowers, they should apply for appointment before they attain 30 years of age.

(Govt. Lr. No. 46571/NI/82-3 dt. 24-11-82)

(6) The dependents who have crosssed the prescribed age may be appointed subject to relaxation of age.

(G. O No 2440 Labour dt 19-11-82)

(7) The rule of reservation is not applicable in the case of appointment under compassionate grounds, and the seniority for other benefits should be fixed with reference to the regular appointment in the respective category.

(Govt Lr. No. 33472/B1/83-4 dt. 8-2-84).

(8) The educational qualification may be relaxed in respet of persons who are appointed as sweepers.

(G. O. No. 1505 Labour dt. 14-7-81).

(9) These concessions are not allowed if the Government Servant dies after retirement.

(G. O. No. 1243 Labour dt. 23-5-80).

(10) The death for this purpose also includes Murder or suicide.

(G O. No. 563 Labour dt. 23-5-80).

(11) The dependent should be given immediate appointment if there is vacancy. If there is no vacancy Employment Exchange candidate if anybody working and who has not completed one year service may be ousted to accomodate the dependent.

(G. O. No. 2521 Labour dt 7—11—81).

12) Appointment to services outside the purview of TNPSC may be made even by relaxing the rules by the Government. (Govt. Lr. No. 5484/NI/82-9 Employment dt. 16-6-83)

12.2. Encashment of earned leave at the time of death of a Government servant while on Service :

(i) The family of a Government Servant who dies in service (whether on duty or on leave including leave preparatory to retirement) shall be eligible, for the leave salary pay left over at the credit of the Government Servant on the date of death, subject to a maximum of 180 days.

(ii) In the case of a Government servant who dies while on sureender leave but has not drawn the leave salary for the surrendered leave, his family shall be eligible to draw the leave salary for the surrendered portion. In such case the period for which leave salary is allowed will also be taken into account for arriving at the total period of 180 days for leave salary can be allowed under his order.

(iii) The authorities who are empowered to sanction earned leave or leave on average pay to the Government Servants will be competent to sanction the earned leave or leave on average pay and the leave salary and allowance referred to in paragraph (i) to the family of the deceased Government Servant.

(iv) The concessions shall apply to Government servants who are on foreign service or on deputation to the Government of India or other State Governments.

(v) The leave salary referred to in paragraph (i) shall be paid to the family of the deceased Government servant as prescribed in Article 80 of the Madras Financial Code. Volume I for the payment of arrears due to deceased Government Servant.

(vi) In the case of non-Gazetted Government Servant a certificate to the effect that the leave salary referred to in paragraph (i) has been drawn and paid to the family of the deceased Government Servant shall be recorded in the Service Book by the drawing Officers.

(G. O Ms. No. 1072, Finance (F. R. II), dated 18th August 1972 read with G. O. Ms. No. 444, Finance (F. R. II). dated 30th March 1974).

No deduction on account of family pension and pension equivalent of death-cum-retirement gratuity be made from the have salary payable to the family of a Government Servant who dies while in service whether on duty or on leave

(G. O. Ms No. 1048, Finance, (F. R. II) dated 13th October 1976).

12.3 Educational concessions to the family of deceased Government servant:-

(i) The children of the deceased Government Servant are eligible for book allowance every year at the undermentioned rates.

I to V Standrad	...	Rs. 20 per annum
VI to VII Standrad	...	Rs. 30 per annum
VIII to X Standard	...	Rs. 40 per annum
XI to XII Standard	...	Rs. 50 per annum

(Govt Letter No. 104176/RA2/82-1, dated: 20-11-82).

(2) The children of the deceased employed are exempted from paying tution fees for English Medium Higher Secondary School.

(G.O.No. 864 Education dated 21-5-80).

3) Tution fees already paid shall be refunded to the dependent.

(Govt. Lr. No. 21710/SI/79-6 Education dt. 5—10—79).

12.4 Medical Allowance to Pensioner:

By abolishing the existing medical reimbursement facility. the Government has introduced Medical Allowance of Rs. 15 p.m. w.e.f. 1—9—86 and it shall be paid along with pension payment.

(G.O.Ms.No. 816 Finance dt. 11—9—86);

DEARNESS PAY

In the case of Government Servant who will be retiring on or after 1—19—1987, the Dearness allowance drawn during the last 10 months preceeding the date of retirement shall be reckoned as Dearness pay for the purpose of pensionary benefits. In the case of death of Govt. Servants occuring on or after 1–10–87 while in service, the Dearness Allowance as applicable on the date of death shall be treated as "Dearness pay" for the purpose of computing family pension.

(G.O Ms.No. 317 Finance (pension) Dept dt. 30—4—86).

12.5. PENSION PROPOSAL CHART

Pension proposals from an Office

Sent to

District Officer who is the sanctioning authority.	Head of Department if he is the sanctioning authority.	Thro' Head of Department if it is to be sanctioned by Government.

Receipt in A. G. 's Office after scrutiny and assessment, Report sent to.

District Office	Head of Department	Government for sanction

PPO released 15 days prior to retirement.	Gratuity released on receipt of L. P. C.	PPO released on receipt of Govt. sanction and receipt of certificate of satisfactory service from department.	Gratuity on receipt of sanction and L. P. C. and after clearance from department.

Vouchers received after payment at Treasury in Audit Office.

Pension proposals initiated in Audit office - Officers on time scales of Pay the maximum of which exceeds Rs. 1,000.

Application with Photographs, Family details, place of payment, specimen signature, etc., along sent direct to Audit Office.

Verified and forwarded to Government for sanction.

On receipt of sanction PPO issued.

On receipt of sanction and LPC G. P. O. issued.

Vouchers are sent to Audit Office by the Treasury.

12.6 PENSION – CALCULATION CHART

Average emoluments	Pension on 33 years of service	Amount	Pension on 30 years of service	Pension on 25 years of service	Pension on 20 years of service	Pension on 20½ years of service
300	50%	... Rs. 150	$\frac{150 \times 30}{33}$ Rs. 136/09	$\frac{150 \times 25}{33}$ Rs. 113/63	$\frac{150 \times 20}{33}$ Rs. 90/91	$\frac{150 \times 41}{66}$ Rs. 93/18
1000	50%	... Rs. 500	$\frac{500 \times 30}{33}$ Rs. 454/50	$\frac{500 \times 25}{33}$ Rs. 378/78	$\frac{500 \times 20}{33}$ Rs. 303/03	$\frac{500 \times 41}{33}$ Rs. 310/60
1300	50% for first Rs. 1000 ... 45% for next Rs. 300 –	} Rs. 635	$\frac{635 \times 30}{33}$ Rs. 577/27	$\frac{635 \times 25}{33}$ Rs. 481/06	$\frac{635 \times 20}{33}$ Rs. 384/84	$\frac{635 \times 41}{66}$ Rs. 394/49

1500	50% for first Rs. 1,000 ... 45% for next Rs. 500 ...	Rs. 725	$\frac{725 \times 30}{33}$ Rs. 659/09	$\frac{725 \times 25}{33}$ Rs. 549/24	$\frac{725 \times 20}{33}$ Rs. 439/39	$\frac{725 \times 41}{66}$ Rs. 450/37
2000	50% for first Rs. 1000 ... 45% for next Rs. 500 ... 40% for balance Rs. 1000 ...	Rs. 925	$\frac{925 \times 30}{33}$ Rs. 840/90	$\frac{925 \times 25}{33}$ Rs. 700/75	$\frac{925 \times 20}{33}$ Rs. 560/60	$\frac{925 \times 41}{66}$ Rs. 574/62
2500	50% for first Rs. 1000 ... 45% for next Rs, 500 ... 40% for balance Rs. 1000 ...	Rs. 1125	$\frac{1125 \times 30}{33}$ Rs. 1022/72	$\frac{1125 \times 25}{33}$ Rs. 852/27	$\frac{1125 \times 20}{33}$ Rs. 681/81	$\frac{1125 \times 41}{66}$ Rs. 698/86

NOTE : (1) If the qualifying service arrived at, is in fraction, say, 25½ years, etc. 33 will be substituted by 66.

(2) 33 means the maximum service for which maximum Pension will be allowed.

(3) Minimum Pension ic Rs. 235 w.e.f. 1—10—84 and there is no maximum.

(4) Pension should be rounded off to next higher rupee.

(5) Pension will be worked out for each completed half year.

Pension-Solved Prolems

PROBLEM1. MAY 1981 ATS I

Galculate the Superannuation pension, D.C.R. Gratuity and family pension admissible to an officer whose service details are given below :

1. Date of birth : 15 January 1923.
2. Entered service : 17-10-40 (continuous)
3. E.O.L. without M.G. for 5 months and 2 days : 1-9-65
4. Service regularised from : 23-12-40.
5. Suspension period treated as earned leave period. Suspension from 1-12-70 to 28-2-71.
6. Drawing pay in the scale of pay of Rs. 950—50—1350 with Class I special pay of Rs. 100
7. Pay regulated on his appointment in the scale of Rs. 950—50—1350 at Rs. 1000 from 7-8-74.
8. Pay fixed at Rs. 1050 on par with the pay of his junior with effect from 2-3-75 with reference to F.R. 27.
9. He was paid a dearness payof Rs. 70 p.m. plus dearness allowance of Rs. 50 p.m.

SOLUTION :

Date of birth		15—1—1923	
		55	
Date of superannuation		15—1—1978	
			Y.M.D.
He retires an 31—1—78 A.N.			
Gross Service from 7-10-40 to 31-1-78			37 3 25
Deduct : E.O.L. without M.G.	0 5 2		
Boy service 7-10-40 to 14-1-41	0 3 9		
			0 8 11
		Net	36 7 14

or 73 half year

Pay regulation :

2-3-75	Rs. 1050
1-1-76	1100
1-1-77	1150
1-1-78	1200

Period of Average Emoluments - 1-4-77 to 31-1-78.

1-4-77 to 31-12-77 at Rs. 1150 = Rs. 10350

1-1-78 to 31-1-78 at Rs. 1200 = Rs. 1200

Special pay at Rs. 100 for 10 months = Rs. 1000

Rs. 12550

Average Emolument = Rs. 1255

Dearness Pay = 70

Rs. 1325

(1) Pension = 33/80 × 1325 = Rs. 546.56 or Rs. 547 p m.

(2) D.C.R. Gratuity = [(16½ − 1) × 1370 (last pay) = Rs. 21235.

(3) Family pension = 12/100 × 1370 = Rs. 164.40 or Rs. 165 p m.

PROBLEM - 2. NOV 81 ATS - I

The following is his history of service of a professor in a Medical College.

(a) Date of birth 15-8-1923

(b) Date of first appointment 1-6-1949

(c) Date of regular appointment 11-6-1952

(d) Date of retirement on superannuation 31-8-1981

(e) Details of leave taken ;

Earned leave availed throughout his service	270 days
Unearned leave on Medical Certificate	180 days
Unearned leave on private affairs	60 days
Extraordinary leave without allowances	120 days

(f) Pay was fixed at Rs. 1440 on 1-4-78 in the scale of Rs. 1000–60–1300–70–1650. His next increment was due on 1-10-78. The post carries a Class I special pay of Rs. 100 p m. and non-practising allowance of Rs. 250 p.m.

Calculate the qualifying service, rate of pension death-cum retirement gratuity and family pension administrable. The officer has opted to be governed by the new Pension rules.

Note : The officer should have retired on 30-4-1978 when he completes 55 years. It is presumed he was given extension of service upto 31-8-81 a. n.

Solution :

Date of birth	15-8-23
	58
Date of superannuation	15-8-81

He retires on 31-8-81 a.n.

	Y.	M.	D.
Gross service from 1-6-49 to 31-8-81	32	3	0
Deduct : E.O.L. 4 months (presumed without M. C.)	0	4	0
	31	11	0

or 63 half years

Pay

1-4-78	Rs. 1440
1-10-78	1510
1-10-79	1580
1-10-80	1650

Average Emoluments period from 1-11-80 to 31-8-81.

During this period he drew a pay of Rs. 1650.

Average Emoluments = 1650 + Special pay 100 = Rs. 1750.

For first 1000—500/- next 500 Rs. 225 Balance 250 Rs. 100 = 825.

For 31½ years of service = 31½/33 × 825 = Rs. 787.50 or Rs. 788 p.m.

D.C.R. Gratuity = 63/4 × 1750 (last pay) = Rs. 27562-50 or Rs. 27563.

Family pension = 30/100 × 1750 = Rs. 525 subject to the limit of Rs. 500 p.m.

PROBLEM 3. MAY 82 ATS I

(a) Indicate briefly the special benefits accruing to Government servants as a result of the liberalised pension rules which came into effect from 1-10-79.

(b) Calculate the superannuation pension, death-cum-retirement gratuity and family pension admissible to a Government servant with the following record of service :

SOLUTION :

Date of birth	10—4—1924
Date of first appointment	1—7—1948
Date of regular appointment	11—2—1951
Date of retirement on superannuation	30—4—1982

Details of leave taken during service :

Earned leave	280
Unearned leave on M.C.	95
Unearned leave on private affairs	45 days
Extraordinary leave with M.C.	2 months
Extraordinary leave without M.C.	1 months

pay was fixed at Rs. 2250 with effect from 25-2-1980 in the scale Rs. 2000—125—2500.

Ans. (a) Vide answer to Q. IV (b) of May 1980

(b) Date of birth 10—4—24
58

He retires by 30-4-82 a.n. 10—4—82

	Y.	M.	D.
Gross service from 1-7-48 to 30-4-82	30	10	0
Less : E.O.L. without M.G.	0	1	0
Net	33	9	0

or 67 half years

Pay – 15-2-80	Rs. 2250
1-1-81	2375
1-1-82	2500

Period of A.B. 1-7-81 to 30-4-82

1-7-81 to 31-12-81 at Rs. 2375 –	Rs. 14250
1-1-82 to 30-4-82 at Rs. 2500 –	10000
	Rs. 24250

A. B. – Rs. 2425

Pension for 33 years of service :

Ist Rs. 1000	– 500
Next 500 at 45%	– 225
Next 925 at 40%	– 370
Total	1095

D.G.R. Gratuity = $66 \times \frac{1}{4} \times 2500$ = Rs. 41250 limited to Rs. 30,000

Family pension = $30/100 \times 2500$ = Rs. 750 limited to Rs. 500 p.m.

PROBLEM 4. NOV 82 ATS-I

(a) How the date of birth of an officer, whose month and year of birth are known is fixed how the same is fixed, if the year of his birth alone is known ?

(b) With the following history of service of a Chief Engineer, calculate the net qualifying service, superannuation pension, death-cum-retirement gratuity and family pension admissible ;

1. Date of birth : 5-6-24.

2. Entered Government service : 20-10-47.

3. Service regularised : 25-2-50.

4. Extraordinary leave without medical certificate for 2 months from 10-2-66.

5. Total earned leave availed during the entire services; 275 days.

9. Unearned leave on Medical certificate : 85 days.

7. Unearned leave on private affairs : 60 days.

8. Extraordinary leave with medical certificate ; 3 months.

9. Pay was fixed at Rs. 2125 with effect from 10-2-79 in the scale of pay of Rs. 2000—125—2500.

10. He was paid a special pay of Rs. 250 p.m.

11. He was drawing dearness allowance at Rs. 480 p.m.

SOLUTION : (a) Month and year known :

Date of birth 16th of the month.

Year only known : 1st July of the year

(b) Date of birth 5-6-1924
58

Date of superannuation 5-6-1982

He retires on 30-6-82 a.n.

		Y.	M.	D.
	Gross service - 20-10-47 to 30-6-82	34	8	12
Less :	E.O.L. without M.C.	0	2	0
	or 69 half years	34	6	12

Pay

10-2-79	Rs. 2125
1-1-80	2250
1-1-81	2375
1-1-82	2500

A. E. period : 1-9-81 to 30-6-82.

1-9-81 to 31-12-81 at Rs. 2375 = Rs. 9500

1-1-82 to 30-6-82 at Rs. 2500 = Rs. 15000

Special pay of Rs 250 for 10 months 2500

Total Rs. 27000

Average Emoluments = Rs. 2700

Pension for over 33 years of service

First Rs. 1000	Rs. 500
Next Rs. 500 at 45%	225
Balance Rs. 1200 at 40%	480
Total Rs.	1205

D.C.R.G. = 16½ × 2750 (last pay) = Rs. 45375 limited to Rs. 36000.

Family pension = 30/100 × 2750 = Rs. 82 limited to Rs. 500 p. m.

PROBLEM 5. MAY 83 ATS—I

With the following history of service of a Deputy Director of Town planning. Calculate the net qualifying service, Superannuation pension and Family pension and D. C. R. G.

(1) Date of birth : 25—12—1984

(2) Entered Service : 10—11—1942

(3) Service regularised from : 25—11—1942

(4) Extraodinary leave without allowances (without M.C.) for 5 months from 1—10—1946.

(5) Suspension poriod treated as earned leave from 5—1—71 to 4-3-1972.

(6) Drawing pay at Rs. 1710 with effect from 5-9-1975 in the scale of pay of Rs. 1150-70-1850plus special pay Rs. 100

(7) Pay refixed in the above scale at Rs. 1780 on par with that of his junior with effect form 5—4—1976.

SOLUTION :

Date of birth	25 —12—24
	58
	25—12—82

He retires on 31—12—82 A.N.

	Y.M.D.
Gross Qualifying service from 10—11—42 to 31-12-82	40 1 21
Less : Boy service 10—11—42 to 24—12—48 =0—1—15 and E O.L. without M.C. for 5 months 0-5-0	0 6 15
	39 7 6

Net Qualifying Service : 79 half years
Pay : Rs. 1850 + Rs. 100 S.P.

During Average Emoluments period from 1-3-1982 to 31-12-1982 he has drawn a pay of Rs. 1950, which is also the Average Emoluments.

Pension for Rs. 1950	
First Rs. 1000	500
Next Rs. 500 at 45%	225
Next Rs. 450 at 40%	180
	905 p.m.

D.G.R. Gratuity = $16\frac{1}{2} \times 1950$ = Rs. 32175.

Family Pension = $30/100 \times 1950$ = Rs. 585 limited to Rs. 500 p.m.

Note : He is not entitled to get stagnation increments in terms of G.O. No 241, Finance dated 1-4-81 as he has not completed ten years of service in that post on the date of retirement.

PROBLEM 6 *NOV* 83 *ATS-I*

Calculate the Family Pension and Death-cum-Retirement Gratuity admissible in respect of a Government servant who died in service with the following record of service.

(a) Date of birth : 20-5-1930.

(b) Date of commencement of service : 31-3-1954.

(c) Date of death : 28-4-1981.

(d) Confirmed as Deputy Inspector of Schools with effect from 1-6-1970.

(e) Working as regular D.E.O. withe ffect from 18-6-78.

(f) Pay Rs. 1050 from 1-4-1980 in the scale of pay Rs. 750—50—1300.

(g) Extraordinary leave on medical certificate for one month from 1-9-80.

(h) Extraordinary leave without M.C. for two months from 1-10-80.

SOLUTION :

	Gross service from 31-3-54 to 28-4-81	27 0 29
Deduct :	E.O.L. without M.C.	0 2 0
		26 10 29

or 53 half yearly periods.

Pay—

1-4-80 Rs. 1050	D.C.R. Gratuity on = 53/4 × 1050 = Rs. 13912.50 or Rs. 13913
1-6-81 Rs. 1100	Family Pension = 30/100×1050=Rs.315 p.m

For a period of 7 years (i e.) upto 24-4-88 after the date of death, Family Pension is payable at Rs. 500 p.m. and thereafter at Rs. 315 p.m.

PROBLEM 7 MAY 84 ATS-1

Work out the pension, Gratuity and Family pension of an officer from the following particulars.

1. Date of birth 15-7-1925
2. Date of appointment 20-6-1948
3. Date of retirement 31-7-1983
4. Leave without pay, not counting for service from 5-11-58 to 31-12-58.
5. Pay drawn Rs. 1,020 in the scale of Rs. 675-35-885-45-1200 from 1-4-82.
6. Pay drawn from 10-11-82 at Rs. 1,120 in the scale of Rs. 1,000—60—1,300—70—1,650.

SOLUTION :

Date of birth	1 - 7 - 1925
	58
	15-7-1983

He retires on 31-7-83 A.N.

	Y.M.D.
Gross service from 20-6-48 to 31-7-83	35 1 11
Deduct service not counting 5-11-58 to 31-12-58	0 1 26
Net	34 11 15

or 69 half yearly periods

Pay—

1-4-82 Rs 1010

10-11-82 Rs. 1120+Spl. pay Rs. 100

Period of Average Emolument is from 1-10-82 to 31-7-83

Pay from 1-10-82 to 9-11-82 at Rs. 1020 =	1326.00
,, 10-11-82 to 31-7-83 at Rs. 1120	9744.00
Spl. pay at Rs. 100 from 10-11-82 to 31-7-83	870-00
Tot	11940-00

Average Emoluments = Rs. 1194.

1. Pension Ist Rs. 1000 of 50% = Rs. 500.00
   Next 194 at 45% = Rs. 87.30
   587.30 Rs. 588

2. D.C.R.G. = 16½ × Last pay 1220 = Rs. 20130

3. Family pension = 30/100 × 1220 = Rs. 366 pm

PROBLEM 8 NOV 84 ATS-I

(a) Indicate the pensionary benefits admissible to a Government servant who retired on superannuation on 31-7-84 after having put in a total service of 10 years 2 months which included 5 months extraordinary leave without pay and allowances. Also state what pensionary benefits his family will get had he died while in service on 30-6-84.

(b) Work out the pension, gratuity and family pension of an officer from the following particulars :

1. Date of birth ; 20-6-1926
2. Date of temporary appointment : 1-4-44
3. Date of regular appointment : 1-10-46
4. Had availed unearned leave on M.C. for 1 year 6 months, unearned leave on private affairs 5 months 15 days, Extraordinary leave without M.C. for a total period of 7 years and 11 months, during his entire service.
5. While drawing a pay of Rs. 1350 p.m. in the scale of pay Rs. 750—50—1350 with effect from 1-4-81, he was promoted to a higher post in the scale of Rs. 1150—70—1850 with effect from 1-2-82, in which he continued till retirement.

(a) Pension is admissible if the qualifying service is 10 years and above. In this case, if the E.O.L. taken is on M.C. his qualifying service will be 10 years and he will get pension proportionate to his service, and D.C.R. at 1/4 of his last pay for each completed period of half yearly service (i.e.) D.C.R.G. 5 times last pay.

If the E.O.L. was taken without M.C. the qualifying service will be 9½ years only. In this case he is not eligible for pension, he is eligible for both service gratuity and retirement gratuity.

If he dies on 30-6-84, his family will get family pension at 30% of his last pay subject to a maximum of Rs 500 p.m. and D.C.R.G. for 12 times last pay. Rule 45 of Revised Pension Rules 1980.

Date of birth	20-6-1926
	58
He retires on 30-6-84	20-6-1984

		Y.	M.	D.
Gross Service from 1-4-44 to 30-6-84		40	3	0
Boy service 1-4-44 to 19-6-44	0 2 19			
E O.L. without M.C.	7 11 0			
		8	1	19
	Net	32	1	11

or 64 half years

Pay regulation :

1-4-81	Rs. 1350
1-2-82	1430
1-1-83	1500
1-1-84	1570

Period of Average Emoluments = 1-9-83 to 30-6-84.

1-6-83 to 31-12-83 at Rs. 1500 =	Rs. 6000
1-1-84 to 30-6-84 at Rs. 1570 =	Rs 9420
	Rs. 15420

Average Emolument = Rs. 1542

Pension for 33 years of Service

Its Rs. 1000 (50%) =	Rs 500.00
Next Rs. 500 (45%) =	Rs 225 00
Balance Rs 42 (40%) =	Rs. 16.80
	741 80

Pension for 32 years of Service } 32/33 × 741.80 = 719.30

= Rs. 720

D.C.R.G. = 64/4 × 1570 = Rs. 25120

Family Pension = 30/100 × 1570 = Rs 471 p. m

PROBLEM 9 MAY 85 ATS-I

(a) Give details of the liberalised formula for calculating pension to retiring Government servants with effect from 1-10-79 and calculate the pension and D.C.R. Gratuity in respect af a Government servant for 30 years and 25 years if his average Emoluments is Rs. 1600 and last pay drawn Rs. 1650 p m.

Calculate the pension, Gratuity and Family pension of a Government servant with the following particulars :

1. Date of parth : 1-2-1927.

2. First appointment on temporay basis : From 17-5-1952.

3. Discharged for want of vacancy on 3-8-1952. F.N.

4. Reappointment on regular basis with effect from 1-9-52.

5. During his entire service he availed unearned leave on M.C. for 1 year and 4 months and 10 days. Unearned leave on private affairs for 3 months. E.O.L. on M.C. for 2 months and E.O.L. for 8 months.

6. Was under suspension for 4 months, which was subsequently treated as earned leave for 60 days and rest E.O.L.

7. He was drawing a pay of Rs . 1580 with effect from 1-4-1983 (with a special pay of Rs. 100 p.m.) in the scale 1000-60 1300-70-1650. He was promoted on 1-3-1984 to a post in the scale of pay Rs. 1300-75-1900-100-2000 with a special pay of Rs. 200 p.m. in which he continued till retirement. He opted to have his pay fixed in the higher posts as on 1-4-1984.

SOLUTION

(a) Average Emoluments Rs. 1600. Pay Last drawn Rs. 1650.

For 33 years of service :	1st Rs 1000	Rs.	500
	Next 500 at 45%		225
	,, 100 at 40%		40
			765

For 30 years of service : Pension; 30/33×765 = Rs. 695.45 or Rs. 696 p m.

25 years ,, ,, 25/33×765 = Rs, 579.54 or Rs. 580 p.m.

Gratuity for 30 years = 60/4×1650 = Rs. 24750

,, 25 ,, 50/4×1650 = Rs 20625

(b) Date of birth : 1-2-1927
58
1-2-1985

He retires by 31-1-85 A.N. Y.M.D.

Gross service ; 17-5-52 to 31-1-85			32 8 14
Deduct : Periods out of employ – 3-8-52 to 31-8-52		0-0-29	
E.O L. without M.C.		0-8-0	
Suspension period treated as	E O L.	0-2-0	0 10 29
			31 9 15
	or 63 half years		

Pay regulation :

10-3-84 Rs. 1600 under F.R. 22.

1-4-84 Rs. 1750 under F.R. 22-B,

Average Emoluents period from 1-4-84 to 31-1-85

1-4-84 to 31-1-85 at 1750 = Rs.	17500
Special pay at 200	2000
	19500

Average Emoluments – 1950.

Pension for 33 years of service :

1st Rs. 1000	Rs. 500
Next 500 at 45%	225
Next 450 at 40%	180
	Rs. 905

Pension for 31½ years of service = 31½/33×905 – Rs. 863.86 or Rs. 864 p.m.

D.G.R. Gratuity=63/4×1950 (last pay) – Rs. 30712.50 or Rs.30713.

Family Pension – 30/100×1950 – Rs. 585 subject to the limit of Rs. 500 p.m.

PROBLEM 10. *NOV* 85 *ATS—I*

(a) What are the documents that should accompany the Pension application for verification in audit?

(b) With the following history of service, calculate the qualifying service, Average Emoluments, Rate of Pension, D.C.R.G. and Family Pension on Retirement on superannuation.

(i) Date of birth : 21-5-1927.

(ii) Date of first appoinment (Temporary) 1-4-1951 and regularised from 1-6-53.

(iii) Availed the following leave :

(a) Unearned leave on M.C. 1 year 2 months, which includes a debit of 4 months representing half avarage pay availed, but commuted into full pay.

(b) E.O.L 1 year 3 months.

(c) Unearned leave on private affairs 6 months.

(iv) He was under suspension for one year which was subsequently regularised as earned leave and unearned leave on private affairs to the extent admissible and E.O.L. for 6 months.

(v) He was drawing a pay of Rs. 1900 with effect from 1-1-84 in the scale of Rs. 1300—75—1900—100—2000 and his pay fixed, due to revision of Pay under IVth Pay Commission at Rs. 2715 + 115 P.P. with effect from 1-10-84. He drew a Special pay of Rs. 150 from 1-5-85.

SOLUTION :

(a) The documents that should accompany the pension application are :

1. Application for Pension or Gratuity
2. Last Pay Certificate.
3. Statement of Average Emoluments.
4. Two specimen signatures, duly attested, and two pass-port size photo copies of Husband and wife.
5. Service Register.

6. Medical Certificate in the case of an invalid pension.

7. Applicant's letter for permission to retire.

8. Letter of consent for recovery report.

9. Military service verification report.

10. Copies of orders condoning interruptions etc. Page 166 of the Pension Code.

11. Memorandum of Service and leave.

(d) Date of birth 21-5-1927
58
21-5-1985

He Retires on 31-5-1985 A.N.		Y. M. D.
Gross service from 1-4-51 to 31-5-1985		34 2 0
Deduct : E O.L.	1-3-0	
E.O.L.	0-6-0	1 9 0
Or 64 half yearly periods		32 5 0

Pay Average Emolument period 1-8-1984 to 31-5-1985

1-7-84 1900

1-10-84 2715+115 P. P

	Rs.
Pay 1-8-84 to 30-9.84 @ Rs. 1900	3,800
1-10-84 to 31-5-85 @ Rs. 2830	22,640
Special Pay at Rs. 150 for May '85	150
Total	26,590

A.E. = Rs. 2,659

Pension for 33 years :

Ist 1000	Rs. 500.00
Next 500 at 45%	Rs. 225.00
Next 1159 at 40%	Rs. 463.60
	Rs. 1188.60

Pension for 32 years 32/33 × 1188-60 = 1,152 60 or Rs. 1,15 /-

D.C.R.G. 64/4 × 2980 (last pay) = 47,680

Family Pension 30/100 × 2980 = Rs. 894 Limited to Rs 800.pm

PROBLEM 11. MAY 86 ATS - I

Work out the net qualifying service, Average Emoluments, Pension, Death-cum-retirement Gratuity and Family Pension admissible to a Government servant from the following particulars :

Date of birth	25-12-1927
Date of entry into Govt. service	1-12-1947

Particulars of leave availed :

	Y.	M.	D.
Unearned leave on Medical Certificate	1	4	0
Earned leave 300 days			
Unearned leave on Private affairs	0	6	0
Extraordinary leave on M.C.	0	6	0
Extraordinary leave without M.C.	0	3	0

He was regularly appointed to a post carrying a scale of pay of Rs. 1800—110—2900 with effect from 1-10-1984 and his pay was fixed at Rs. 2,680, on his appointment to the post on 1-10-1984. He was drawing a special pay of Rs. 100 from the dath of his appointment to the post.

Date of birth	25-12-27
	58
He retires on 31-12-85 a.n.	25-12-85

	Y.	M.	D.
Gross service from 1-12-47 to 31-12-85	38	1	0
Deduct : E.O.L. without M.C.	0	3	0
	37	10	0

or 75 half years

Average Emoluments period from 1-3-85 to 31-12-85.

Pay

1-10-84	2,600
1-10-85	2,790

Pay from 1-3-85 to 30-9-85 @ Rs. 2,600 p m.	Rs.	18,760
Pay from 1-10-85 to 31-12-85 @ Rs. 2,790 p m.		8,370
Special pay @ Rs. 100 p.m. for 10 months		1,000
	Total	28,130
	Average Emoluments	2,813

Pension –

For first 1000 of A. E.		500.00
Next 500 @ 45%		225.00
Balance 1313 @ 40%		525.22
	Rs.	1,250.00

or Rs. 1,251 p m.

D.C.R.G. 16½ times of 2,890 (last pay) = 16½ × 2890 = Rs. 47,685.

Family Pension 30/100 × 2890 = Rs. 867 limited to Rs. 800 p.m.

PROBLEM 12. MAY 81 ATE

(a) What are the conditions which qualify the service of a Government servant for pension and name the various categories of pensions.

(b) Calcuate the qualifying service, Pension. D.C.R.G. and Family Pension admissible to a Government servant with the following record of service.

(1) Date of birth 7-5-1920

(2) Entered service on 21-11-1940

(3) Ousted for want of vacancy 30-6-1942

(4) Reappointed on 14-11-1942

(5) Confirmed in service on 7-5-1944

(6) Took Extraordinary Leave on M.C. 1-5-1961

(7) Suspension from 1-11-1969 to 30-6-1970 ordered to be treated as punishment.

(8) Retired from service on attaining the age of superannuation.

(9) His substantive pay was Rs. 800 in the scale of Rs. 600—40—1000 and officiating pay Rs. 1060 in the scale of Rs. 1000—60—1300—70—1650 at the time of retirement.

SOLUTION : (a) Service qualifies for pension subject to the following conditions :

(1) The service must be under Government.

(2) The service should be paid by Government and

(3) The Government servant must hold substantively a permanent post. Art. 361, Pension Code.

But there are several exceptions to the above condition. Foreign service counts in view of the pension contributions received. Employees of Local Bodies for whom pension contributions are paid are eligible for pension.

Service paid from the House hold allowances of the Governor counts for pension.

Again, even if the Government servant is not permanent service rendered by him counts as qualifying for pension.

The various categories of pensions are:

(1) Superannuation pension

(2) Invalid pension

(3) Compensation pension

(4) Retiring pension

(f) Date of birth 7-5-20

55

7-5-75

He retires on 31-5-75 a.n.

		Y. M. D
Gross service from 21-11-40 to 31-5-75		34 6 10
Deduct : 1. Period out of employment 1-7-42 to 13-11-42	0 4 13	
2. Suspension 1-11-69 to 30-6-70	0 8 0	
		1 0 13
	Net	33 5 27

or 66 half years.

It is presumed that he drew Rs. 1060 p.m. during the last 10 mouths of his service. His average emoluments = 1060 + 70 = Rs. 1,130.

(1) Pension = 33/80 × 1130 = Rs.466.12 or Rs. 467 p.m.

(2) Gratuity = (16½ − 1) × 1130 = 17.515.

(3) Family Pension = 12/1130 = Rs. 134.60 or Rs. 136 p.m.

PROBLEM 13. *NOV* 81 *ATE*

Calculate the qualifying service, pension, D.C.R. Gratuity and family pension admissible to a Government servant with the following record of service.

Date of birth : 15-7-1922.

Date of comencement of service : 18-6-1947.

Military service to be added to qualifying service; 3 years and 2 months.

Interruption of service : 10-12-1947 to 31-12-1947.

Extraordinary leave without M.C. for 3 months and 10 days

Regular class III officer of the Tresury and Accounts service from 20-1-1971.

Pay Rs. 920 + Dearness pay Rs. 70 from 1—4—1976.

Pay Rs. 920 + Special pay Rs. 100 + Dearness pay Rs. 70 from 26-9-1976.

Pay Rs. 960 + Special pay Rs. 100 + Dearness pay Rs. 70 from 1-4-1977.

SOLUTION :

Date of birth.	16-7-1922		
	55		
He retires on 31-7-77 A.N.	16-7-1977		
			Y. M. D.
Gross Service 18-6-47 to 31-7-77			30 1 13
Deduct : (1) Interruption 10-12-47 to 31-12-47		0 0 22	
(2) B O L. without M.C.		0 3 10	
			0 4 2
			29 9 11
Add Qualifying Military service			3 2 0
or 65 half years			32 11 11

Pay

1-4-76 Rs. 920

26-9-76 920+100 S.P.

1-4-77 960+100 S P.

Average Emoluments period : 1-10-76 to 31-7-77.

1-10-76 to 31-3-77 at Rs. 1020	= Rs. 6120
1-4-77 to 31-7-77 at Rs. 1060	= Rs. 4140
	10350

Average emoluments = 1036+70 (Dearness Pay) = 1106.

1. Pension 33/80×1106=Rs. 456.25 or Rs. 457 p.m.

2. D.C.R.Gratuity = (16½—1)×1130 (last pay) Rs. 17515.

3. Family Pension = 12/100 × 1130=Rs. 135.60 or Rs. 136 p.m.

ROBLEM 14. MAY 28 ATE

Calculate the Superanuation pension, Death-cum-Retirement Gratuity and Family Pension admissible to a Government servant from the following particulars :

Date of birth 21-4-1922.

Date of commencement of service : 20-11-1946.

Leave availed of :

	Y.M.D.
Unearned leave on M.C.	0 2 6
E.L.W.H. without M.C.	0 1 0
U.E.L. on private affairs	0 2 0

Pay Rs. 1700 p.m. in the scale of Rs. 1600—100—2000 with effect from 1-2-75.

Dearness pay	Rs. 70
Cash allowance	Rs. 75
Special pay Class I	Rs. 200

Drew increments every year.

SOLUTION :

Date of birth	21-4-22
	55
He retires by 30-4-77 A.N.	21-4-77

	Y.M.D.
Gross service : 20-11-46 to 30-4-77	30 5 11
DEDUCT E.O.L. without M.C.	0 1 0
or 60 half years	30 4 11

Pay regulation :

1-2-75 Rs.	1700
1-1-76	1800
1-1-77	1900
SPl. Pay	200

Average emoluments period 1-7-76 to 30-4-77

1-7-76 to 31-12-76 at Rs. 1800=Rs.	10800
1-1-77 to 30-4-77 at Rs. 1900=Rs.	7600
Special pay at Rs. 200 for 10 months = Rs.	2000
Total Rs.	20400

Average Emoluments = 2040 + 70 = 2110

Pension = 33/80 × 2110 = 870.38 or Rs. 871 p.m.

D.C.R Gratuity = 16½ × 2170 = 35805 Limited to Rs. 30000 less one month's pay Rs. 2170 Net = Rs. 27830.

Family pension = 12/100 × 2170 = Rs. 260.40 or Rs. 261 p.m.

PROBLEM 15. NOV 82 ATE

(b) Calcuate the Superannuation pension, Death-cum-Retirement Gratuity and Family Pension admissible with the following data :

1. Date of Birth : 15-4-1924.
2. Date of commencement of service : 25-4-1947
3. Leave availed :

	Y.	M.	D.
1. Earned leave 182 days			
2. Unearned leave on medical certificate	0	2	2
3. Extraordinary leave on medical certificate	0	1	0
4. Extraordinary leave (without medical certificate)	0	0	18

4. Pay Rs. 1825 in the scale of Rs. 1300—75—1900—100—2000 with effect from 1-1-1981.

Date of increment : 1st January every year.

D.A. Rs. 330, H.R.A. Rs. 225. C.C.A. Rs. 115, Special pay Rs. 200.

SOLUTION Date of birty : 15-4-1924

Date of birty :	15-4-1924
	58
Date of Superannuation	15-5-1982

He retires on 30-4-1982 A.N.

	Y.	M.	D.
Gross service from 25-4-47 to 30-4-82	35	0	6
DEDUCT : E.O.L. without M.C.	0	0	15
	34	11	21

or 69 half years

Pay

1-1-81 Rs. 1825

1-1-82 Rs. 1900

Average Emoluments period from 1-7-81 to 30-4-82

1-7-81 to 31-12-81 at Rs. 1825	=	Rs. 10950
1-1-85 to 30-4-82 at Rs. 1900	=	7600
Special pay at Rs. 200 p m.	=	2000
		Rs. 20550

Average Emoluments = Rs. 20550.

I. Pension for over 33 years of service :

First Rs. 1000	Rs	500
Next Rs. 500 at 45%		225
Next Rs. 555 at 40%		222
		947

or Pension = Rs. 947 p.m.

II. D.C.R Gratuity: 69 half years limited to 165 × Rs. 2100 (pay last drawn) = Rs. 34650 limited to Rs. 30000.

III. Family Pension = 30/100 × 2100 = Rs. 630 limited to Rs. 500 p m.

PROBLEM 16 MAY 83 ATE

Calculate the Superannuation pension D.C.R.G. any Family Pension admissible to a Government servant from the following details :

Date of birth : 20-4-1925

Date of commencement of service : 20-4-1949

Leave availed –

		Y. M. D.
1.	E.L. on M.C.	0 4 0
2.	E.O.L. on M.C.	0 2 0
3.	E.O.L. without M.C.	0 4 15
4.	Earned Leave	186 days

Pay Rs. 1950 in the scale of Rs. 1800–75–2250 with effect from 1st January 1982. Special pay (I Class) Rs. 150.

D.A. Rs. 400

H.R.A. Rs. 300

SOLUTION :

Date of birth : 20-4-1925

58

20-4-1983

He retires on 30-4-83 A.N.

	Y. M. D.
Gross service from 20-4-49 to 30-4-83	34 0 11
E.O.L without M C.	0 4 15
	33 7 26
or 67 half years	

Period of A.E. from 1-7-82 to 30-4-83.

Pay–

1-1-82 Rs. 1950 From 1-7-82 to 30-4-83 at Rs. 1950 = Rs. 11700.00

1-1-83 Rs. 2025 From 1-8-83 to 30-4-83 at Rs. 2025 = Rs. 8100.00

Special pay for 10 months at Rs. 150 = Rs. 1500.00

Rs. 21300.00

A.E. = Rs. 21300.

I. Pension : First 1000 Rs. 500.00

Next 400 at 45% 225.00

Next 630 at 40% 252.00

Rs. 977.00

II. D.C.R.G. – 67/4 limited to $16\frac{1}{2} \times 2175$ (last pay) – Rs. 35887.50 or Rs. 35888.00

III. Family Pension = $30/100 \times 2175$ = Rs. 652.50 – Rs.653 limited to Rs.500 p.m.

PROBLEM 17. NOV 83 ATE

(a) What are the conditions under which 'Family' Pension is admissible.

(b) A Government servant born in the year 1925 (actual date and month not known) entered service as Clerk on 21-3-1942. He was in receipt of pay at Rs. 1600 p m. in the scale of Rs. 1300—75—1900—100—2000. His last increment was sanctioned on 1-7-1981. He was also in receipt of D.A. at Rs. 450, H.R.A. at Rs 235 and C C.A. at Rs. 135. He has taken the following during his service :

		Y.	M.	D.
(1)	Earned leave	292 days.		
(2)	Unearned leave on M.C.	0	3	0
(3)	E.O.L. on M.C.	0	6	0
(4)	E.O.L. without M.C.	0	2	0

Calculate the qualifying service, superannuation pension D.C.R. gratuity and Family pension due to him on retirement.

(c) What are the conditions subject to which, service under Government shall qualify for pension?

SOLUTOIN : (a) Family Pension is given to the family of the deceased Government servant. It is admissible in the case of the death of a Government servant while in service or

after retirement. In the case of death in service, he should have completed atleast one year of regular service.

(b) Date of birth 1-7-1925
58

Date of superannuation 1-7-1983

		Y. M. D.
Gross service 21-3-42 to 30-6-83		41 3 11
Deduct : Boy service from 21-3-42 to 30-6-43	1 3 11	
E O.L. without M.C.	0 2 0	1 5 11
		39 10 0

or 79 half years

Pay :

1-7-1981 Rs. 1600
1-7-1975 Rs. 1765

Avarage Emoluments periods from 1-9-82 to 30-6-83.
During this period he drew a pay of Rs. 167'.

(i) Pension for over 33 years of service :

First 1000 at 50% of Average emoluments	Rs. 500
Next 500 at 45% of Average emoluments	Rs 225
Next 175 at 40% of Average emoluments	Rs. 70
	795

pension is Rs. 795 p.m.

(ii) D.C.R. Gratuity = 79/4 limited to 16½ × Rs 1675 pay last drawn = Rs. 27687.50 or Rs. 27638.

(iii) Family pension = 30/100 × 1675
= Rs. 502.50 limited to Rs. 500 p.m.

PROBLEM 18. MAY 84 ATE

Work out the qualifying service for pension, Family pension, D.G.R.G and superannuation pension admissble to an officer in the scale of Rs. 1500-75-1800-100-2000 having the following service details.

1. Date of birth 1-5-1925
2. Date of entry in service 1-4-1924 1942.
3. Date of increment Ist october every year
4. Reached the maximum of scale on 1-10-1982.
5. Drew a special pay Rs. 250 p.m. from 1-10-1982.
6. He has availed the following leave, during the entire period of his service.

(1) Earned leave—300 days.

(2) Unearned leave on M C. 18 months.

(3) E.O.L. on loss of pay on M.C. 6 months

(4) E.O.L. on loss of pay without M C 6 months.

(5) Leave on private affairs 4 months.

(c) Calculate the Family pension and D.C.R. Gratuity admissible, if the officer had died on 1-4-1981.

SOLUTION :

Date of birth	1-5-1925
	58
He retires on 30-4-83 a n.	1-5-1983

		Y.M.D.
Gross service from 1-4-42 to 30-4-83		41 1 0
Deduct : Boy service from		
1-4-42 to 30-4-43	1 1 0	
E.O.L without M.C.	0 6 0	
		1 7 0
or 79 half years.	Net	39 6 0

Pay–

1-10-81 Rs. 2000 Period of Average Emoluments = 1-7-82 to 30-4-83

1-10-82 Rs. 2100 Pay from 1-7-82 to 30-9-82 at Rs. 2000 = Rs. 6000

,, 1-10-82 to 30-4-83 at Rs. 2100 = 14700

Special pay at Rs. 250 from 1-10-82 to 30-4-83 = 1750

22450

Average Emoluments = Rs 22450

1.	Pension for the first Rs. 1000 = Rs.	500
	Next 500 at 45%	225
	Next 745 at 40%	298
	Pension = Rs. 1023 p.m	1023

2. D.C.R.G. = 79/4 limited to 16.5 times the pay × Rs 2250 (pay last drawn) = 38775 limited to 36000

3. Family Pension = 30/100×2350 = Rs. 705 limited to Rs. 500.

(c) If he dies on 1-4-81, his pay on that date will be Rs. 1900.

Family Pension = 30/100 × 1900=Rs. 570 limited to Rs. 500.

D.C.R.G. :

			Y.M.D.
	Gross service 1-4-42 to 30-4-81		39 0 1
Deduct:	Boy service 1-4-42 to 30-4-43	1 1 0	
	E.O.L. without M.C.	0 6 0	
			1 7 0
			37 5 1

or 74 half years

D.C.R.G. = 74/4 limited to 16.5 times pay 16½ × 1900 (last pay drawn) = Rs. 31350 limited to Rs. 30,000.

PROBLEM 19 NOV 84 ATE

From the particulars given below, calculate the Superannuation pension D. C. R. Gratuity and Family pension admissible :

Date of birth	3-5-1929
Date of Entry in service :	3-5-1943
Date of con firmation	1-8-1950
Reached maximum in the scale of Rs 675—35—885—45—1200 on	1-4-1981
Usual increment date : 1st April of every year.	
Risk allowance Rs. 50 p.m. from	1-4-1981

He has taken the following particulars of leave during the periods of his entire service :

	Y.	M.	D.
Earned leave	1	0	0
E.O.L. without M. C.	6	6	0
Unearned leave on M.C.	1	6	0
Leave on private affairs	0	8	0
Suspension treated as such	0	6	0

***SOLUTION* :**

Date of birth	3-5-1926	
	58	
He retires on 31-5-1984	3-5-1984	
		Y. M. D.
Gross service from 3-5-43 to 31-5-84		41 0 29
Deduct : 1. Boy service 3-5-43 to 2-5-44	1 0 0	
2. E.O.L. without M.C.	6 6 0	
3. Suspension	0 6 0	
		8 0 0
		33 0 29
or 66 half years		

Pay

Rs. 1200◆50 (Risk allowance)	Period of 1-8-83 to	Avarge Emoluments 31-5-84 During period his pay was Rs. 1250.

1. Pension for 33 years of service :

For the first Rs. 1000 = Rs. 500.00

For the next Rs. 250 at 45% = Rs. 112.50

Rs. 612.50

or Rs. 613 p.m.

2. D.G.R.G.= 66/4×Rs. 1250 pay last drawn= 20625

3. Family Pension = 30/100×1250 = Rs. 375 p.m.

PROBLEM* 20 *MAY* 85 *ATE

Find out the qualifying Service, superannmation pension, D.C.R.G admissible to a Govt. Servant with the following particulars :

Date of birth : 31-3-1927

Date of entry in Service : 1-4-1944

Date of Confirmation : 1-4-1954

Reached the maximum in the scale of Rs. 1?00 –75— 1900 —100 — 2000 on 1-10-83.

Usual increment : 1st October every year.

Deputation allowance : Rs. 200 p.m.

Leave on loss of pay without M.C.	1-6-74 to 31-12-75.
Leave on loss of pay with M.C.	1-1-80 to 31-12-80.
Leave on private affairs	1-7-81 to 31-12-81.
Earned leave in whole service :	1 year and 10 months.

Solution :

Date of birth	31-3-1927
	58
He retires on 31-3-85 A.N.	31-3-1985

Gross service from 1-4-44 to 31-3-85 41 0 0

Deduct : 1. Boy service 1-4-44 to 31-3-45 1-0-0

2. E.O.L. without M.C. 1-7-0

---

2 7 0

Net 38 5 0

or 76 half years

During the last 10 months of his service, he was drawing Rs. 2000.

Average Emoluments Rs. 2000.

1. Pension for over 33 years of service :

First Rs. 1000 at 50%	Rs. 500
Next Rs. 500 at 45%	225
Next Rs. 500 at 40%	200
Total Rs	925

2. D.C.R. Gratuity : 76/4 limited to 16.5 times the pay × 2000 (last pay) = Rs. 33000.

3. Family pension : 30/100×2000 = Rs. 600 from 1-10-84 the maximum of Family Pension has been raised to Rs. 800/ p.m.

PROBLEM 21 NOV 85 ATE

(a) Indicate the rates of Family Pension and D.C.R.G. for the Family of a Government servant who died in Government service.

(i) at the age of 53 years with 30 years of qualifying service.

(ii) at the age of 25 years with 2 years of qualifying service.

(iii) at the age of 30 years with 7 years of qualifying service.

(b) Work out the admissible Superannuation Pension, Family Pension and D.C.R.G. of an officer from the following particulars.

Date of Birth	–	1-9-1927
Joined Service	–	5-2-1945
Confirmed on	–	1-4-1952

Pay was fixed at Rs. 2130 in the new scale Rs. 1800–110–2900 on 1-10-1984.

In the old scale increment was allowed on 1-1-84.

Suspension period of 3 months in 1983 was treated as penalty.

During his entire service period he availed :

(i) Earned leave on M.C. for 180 days.
(ii) Leave on private affairs—800 days.
(iii) Unearned leave on private affairs – 100 days.
(iv) Earned leave on M.C. for 340 days.
(v) E.O.L. on private affairs—90 days.
(vi) E.O.L. on M.C.—100 days.
(vii) Study leave without pay for 18 months.
(viii) Hospital leave for 4 months.

SOLUTION :

(a) Dies at the age of 53 years with 30 years of qualifying service.

(i) D.C.R.G. = 60/4× (last pay), (ii) Family Pension 30% of last pay but for a period of 5 years; 50% of last pay drawn.

(ii) *Dies at the age of 25 years with 2 years service* :

(i) D.C.R.G. 6 times of the last pay drawn (ii) Family Pension Rs. 100 p. m.

(iii) *Dies at the age of 30 years with 7 years qualifying service.*

(i) D.C.R.G. 12×last pay (ii) Family Pension—Rs. 100 p.m.

(b) Date of Birth 1-9-1927
58
He retires on 31-8-85 A.N. 1-9-1985

		Y.	M.	D.
Gross service from 5-2-45 to 31-8-85		40	6	24
Deduct : (i) Boy service 5-2-45 to 31-8-45	0-6-24			
(ii) EOL without M.C.	0-3- 0			
(iii) Suspension	0-3- 0	1	0	24
		39	6	0

or 79 Half Yearly Periods.

Pay
1-10-84 2130
1-1 -85 2240

A.E. Period 1-11-84 to 31-8-85
Pay for 1-11-84 to 31-12-84 at Rs. 2130 Rs. 4,260

increment due as per Rule 5 (a) of Pay Fixation Rules

Pay for 1-1-85 to 31-8-85 @ Rs. 2240 Rs. 17,920

Average Emoluments 2218 Rs. 22,180

(i) Pension First 1000 of A.E. Rs. 500 00
Next 500 @ 45% 225 00
Next 718 @ 40% 287 00
Rs 1012 20
or Rs. 1013 p.m.

(ii) D.C.R.G. 79/4 limited to 16.6 times 2240 pay last drawn = Rs. 36,960

(iii) Family Pension 30/100×2240 = Rs. 672 p.m.

PROBLEM 22 MAY 86 ATE

Work out the due date of retirement, net qualifying service and pensionery benefits due in the following cases:

Date of birth : 15-2-1928

Date of Joining Service : 14-1-1946

As a temporary candidate and confirmed without break in Service regularised on 1-1-1949 and also made permanent on 1-4-1956.

Pay fixed on 1-10-1984 at Rs. 2075◆PP 83 in the scale of Rs. 1340–75–1715–90–2435 Due date of increment in the old scale as on 1st April each year.

Suspended from 1-6-1964 to 15-7-1964, which was later treated as earned leave :

Earned leave	535 days
Unearned leave on M.G.	165 days
Unearned leave on private affairs	105 days
Leave on Loss of pay on M.C.	2 months in 1976
Leave on loss of pay for privated purposes	1 month in 1978
Special casual leave availed	33 days

SOLUTION Date of birth 15-2-1928

58

15-2-1986

He retires on 28-2-1986. A.N.

				Y.	M.	D.
	Gross service from 14-1-46 to 28-2-86			40	1	18
Deduct :	E.O.L. taken for private affairs	0 1 0				
	Boy service	0 1 2				
				0	2	2
		Net		39	11	16

or 79 Half Yearly Periods.

Pay :

1-10-84 Rs. 2075 + PP. 83

1-4-85 Rs. 2165 (PP. merged in the increment)

Average emoluments period 1-5-85 to 28-2-86
During this period he drew a pay of Rs. 2,165

Pension :	1st 1000 of A. E.	Rs.	500
	Next 500 @ 45%	Rs.	225
	Next 665 @ 40%	Rs.	266
	Total	Rs.	991 p. m.

Death-cum Retirement Gratuity : $16\frac{1}{2} \times 2165$ (Last Pay) = Rs.35,722.50 – 35,723

Famil Pension : $30 / 100 \times 2165$ = Rs. 649.50 or 650p.m.

PROBLEM 23 NOV 86 ATE

Work out the eligibility of Family pension, D.C.R.G. for the family of a Government servant who died while in service and whose service particulars are given below. Also indicate the items and other benefits due to the family.

Date of Birth 1-9-1928 Joined service as a temporary hand on 10-10-1951 and continued without break. Services regularised with effect from 1-1-1955 and made permanent with effect from 1-10-1962.

Pay fixed at Rs. 1355 on 1-10-1984 in the new scale of Rs. 905 - 45 - 1445 - 50 - 1545. Normal date of increment in the old scale 1st July, Drew September allowance at 20% of pay with effect from 1-12-1984.

Expired on 31-7-1985 at 6 a.m.

Other Particulars :

Suspended for 2 months in 1964 which was treated as punishment.

E.L. on M.C. 60 days in 1980.

U.E.L. on M.C. —6 months in 1982 and 1983

SUPPLEMENT

1, MATERNITY LEAVE :

According to the instructions 1 (A) 1 (B) and 1 (C) under F.R. 101, Manternity [leave for Six weeks to married women Government Servants for [natural abortion/abortion under Medical Termination of Pregnancy act are granted, Recently imposed restrictions for the grant of maternity leave for abortion are given below :-

(i) In the case of women Government Servants **with two living children**, maternity leave of six weeks for Natural/ Legal abortion may be granted for **two** times with a condition to undergo sterlisation permanently for the grant of this leave for the second time.

(ii) In the case of women Government Servants **with one child**, maternity leave of six weeks for Natural/Legal abortion may be granted **three** times with a condition to undergo sterlisation permanently for the grant of this leave for the third time.

(iii) In the case of women Government Servants **with no child**. Maternity leave of six weeks for Natural/Legal abortion may be granted for **two** times only.

(G. O. Ms. 113, P. & A.R. (F.R. III) Dept. dt. 10-2-1987)

2. FIXED TRAVELLING ALLOWANCE :

GROUP A & B	...	Rs. 249/-P.M.
GROUP C	...	Rs. 79-P.M.
GROUP D	...	Rs. 53/-P.M.

[G.O.Ms. No.559 & 863 Finance (P G) dt 10/6/85 and 11-9-86]

3. L.T.C. CLARIFICATIONS

Points raised	Points clarified
1. Whether the Government Servant with basic pay of Rs. 2,600/- or more are eligible for Air Fare if the performed the journey during Leave Travel Concession by Air or A/c. 1st Class, if they travelled by train and actually performed in the class to which they are eligible.	The intention of the Government is that the officer aviling L.T.C. should be reimbursed the cost of the train/bus ticket to which he is eligible by shortest route. The Tamil Nadu Travelling Allowance rules cannot be applied mutatismutandis with that of L. T. C. Rules. Leave Travel concession Rules are different from that of Tamil Nadu Travelling Allowance rules. Hence the actual expenditure should be restricted to the 1st Class fare, if officer is eligible. Under L.T.C. Rules A/c fare by train or travel by Air is not admissible to any officer. If an officer availed himself of LTC and travel by air or 1st Class A/c. The actual expenditure should be restricted to 1st class fare, if the officer is eligible.
2 A Government Servant in Grade I (a) I (b) and II under took the journey during LTC from Madras	A Government Servant irrespective of the grade performing LTC from Madras to Rameswaram and back in

Points raised	Points clarified
to Rameswaram and back in different classes of a accommodation (i.e.) partly by 1st Class Partly by bus and partly by II Class either on the onward or return journey or in both. In such cases the procedure as to how the Claim has to be regulated.	different classes of accommodation (i e.)partly by Ist Class partly by Bus and Partly by IInd Class either on the onward or return journey or in both,shall be eligible for reimbursement of the actual cost of ticket, subject to the condition that the claim is restricted to the shortest route.
3. Whether the claim towards LTC for self and Family has to be admitted as admissible for the journeys on transfer or as on tour. If it is on tour, the family of Government servant is not eligible for the journey on tour. Clarify the position.	The journey performed during LTC cannot be termed either as on transfer or as on tour. As per orders issued in G.O. Ms. No. 407, Finance (A 11. I) dated 15.6.81, the members of the family of the Government Servant may either travel together or separately in different groups as may be convenient to them, but the return journey must be completed, within two months from the date of commencement of the onward servant and/or his family.

[Govt. Lr. No. 87617 / All / Fin (All. I) Dept dt 8/10/1986]

4. CLASSIFICATION OF GOVERNMENT SERVANTS :

GROUP A : Minimum of pay scale Rs. 1800 and above

GROUP B : Minimum of pay scale Rs. 1045 and above but less than Rs. 1800

GROUP C ; Minimum of pay scale Rs. 475 and above but less than Rs. 1045

GROUP D ; Minimum of pay scale less than Rs. 475.

[G. O. Ms. 84 P&A. R. Dept dt 2/9/1985]

5. EARNED LEAVE – CALCULTION SIMPLIFICATION :

While calcuting the eligible leave at the rate of 1/11 or 1/22 of the duty period as the case may be fraction should not be rounded as in vouge now. The balance of the duty period should be carried over and added to subsequent duty period and the eligibility calculated and go on as given in Illustrations I & II.

In the case of retiring Government Servants, who are eligible for encashment of E.L. upto a maximum of 180 days, the fractions of half and more shall be reckoned as one day in the calculation of E.L. and the fractions below half be ignored.

(G.O. Ms. No. 1011, P & A.R. (F.R. 3) dated 14–10–1986)

IN THE CASE OF GOVERNMENT SERVANTS WHO ARE ELIGIBLE FOR EARNED LEAVE AT THE RATE OF 1/11 OF DUTY PERIOD.

Illustration (I)

Duty period	Duty period after adding the balance duty period as in column 4	Earned Leave allowed at the rate of 1/11	Balance duty period

in days (1)	in days (2)	in days (3)	in days (4)
190	———	17 (17×11=187)	3 (190—187)
98	98+3=101	9 (9 × 11 = 99)	2 (101 — 99) and as on

IN THE CASE OF NON–PERMANENT GOVERNMENT SERVANTS WHO ARE ELIGIBLE FOR EARNED LEAVE AT THE RATE OF 1/22 OF DUTY PERIOD.

Illustration (II)

Duty period	Duty period after adding the balance duty period as in column 4	Earned Leave allowed at the rate of 1/22	Balance duty period
in days (1)	in days (2)	in days (3)	in days (4)
190	———	3 (22×8)=176	14 ÷ (190—176)
98	98+14=112	5 (22×5=110)	2 (112—110)

PAY FIXATION - LATEST G.O.'S.

1. Employees whose pay scales have been revised in pursuance of the recommendations of the one man committee shall be permitted to exercise revised option to come over to the revised scales and that the revised option shall be exercised on or before 31-10-86. If an employee does not exercise his option within the above time limit, he shall be deemed to have opted for the revised scales of pay notionally w.e.f. 1–10–84.
(G. O. Ms. No. 920 Fin (PC) dt. 1–10–86)

2. F.R. AMENDMENT.

RULE 26 NOTE 1. If an officiating Govt. Servant in a post, who has no substantive appointment is discharged

from service for want of vacancy he shall, on reappointment to the same post, draw the pay last drawn prior to his discharge from service. The periods prior to the discharge form service shall count for purpose of future increment in the time scale of pay of that post.

(G.O.Ms.No. 1072, P & A.R. (F.R. 3 dt. 31—10—86) w.e.f. (7-4-86)

3. FR 27 Ruling 17.

" (17) In case where a Govt. Servant has been overlooked for promotion/appointment to the next higher post but subsequently promoted/appointed to that higher post after restoration of his original seniority on appeal, his pay shall be fixed on the date of assumption of charge in the higher post on par with the pay of his junior provided he has draw the same rate of pay as his Junior in the lower post from time to time; if he has not drawn the same rate of pay as his junior in the lower post, his pay shall be fixed on the date of assumption of charge, at the stage he would have drawn pay on that date had he not been promoted/appointed to the higher post along with his junior. In cases where seniority has been restored on or after 19-9-81, arrears of pay and allowance consequent on fixation of pay shall be admissible with effect from the date of assumption of charge in the higher post;in cases where seniority has been restored prior to 19-9-81 arrears shall be amissible with effect from the above date. (G. O. Ms. No. 977 P & A.R. (F.R. 3) dt. 6-10-86)

4. IDENTICAL SCALE OF PAY ;

When a Govt. Servant is promoted/appointed to a higher post from the special grade of the lowar post carrying identical scale of pay of the ordinary grade of the higher post, his pay shall be fixed either under F.R. 22 B with

reference to the notional pay in the selection grade of the lower post on the date of promotion/appointment to the higher post with the 5% increase of pay with reference to such notional pay or at the stage in the ordinary grade of the higher post after adding one notional increment to the pay drawn in the special grade scale of the lower post at his option. The option should be exercised within one month from the date of promotion/appointment and if on option is exercised within the period, pay shall be fixed at the stage in the higher post equal to the pay after adding one notional increment to the pay drawn in the special grade of the lower post. Those who were promoted/appointed prior to issue of this letter but on or after 1-10-84 should exercise their option within two months from the date of issue of this letter.

(Govt. Lr.No. 91062/F.R.I/86-3 P & A.R.(FR-I)dt.9-1-1987)

5. PERSONAL PAY

In cases where Govt. Servants were sanctioned incentive increments in the form of personal pay beyond the maximum of the pay scale viz. Rs. 2000/— and above, the element of such personal pay shall be treated as pay while fixing pay in the revised scales of pay as ordered in the (G.O. Ms. No. 555 Fin (PC) dt. 10-6-85)

(G. O. Ms. No. 137 Fin (PC) dt. 20-2-87)

In notional personal pay arising out of fixation (ie. exceeding pay of Rs. 2,500/— as on 12-1-86) should not be taken into account for payment of ex-gratia payment and no recovery need be made from the officer who have drawn the ex-gratio amount as per the pay drawn by them on 12-1-86. In case, if the recovery has been from them, it has to be refunded.

(Govt. Lr. No. 157171 / All. II/Fin. (All.II) dt. 10-3-87)

CLARIFICATION

(i) Whether the amount of 'Personal pay' already allowed upto 31-3-1986 need be recovered in view of the notional effect.

The amount of 'Personal pay' availed of by Government servants who were moved to Selection Grade/Special Grade/Special Temporary posts between 1-10-1984 and 31-3-1986 need not be recovered.

(ii) In cases of appointment to Selection Grade/Special Grade/Special Temporary Posts, that falls between 1-10-1984 and 31-3-1986, but orders issued after 5-9-1986 whether the 'Personal Pay' may be given notional effect from 1-10-1984 or from the date of appointment to Selection Grade/Special Grade/Special Temporary Posts whichever is later with monetary effect from 1-4-1986.

In the case of appointments to Selection Grade/Special Grade/Special Temporary Posts prior to 1-4-1986, but orders issued subsequent to 5-9-1986, the 'Personal Pay' should be regulated (i.e. upto 31-3-1986) and again regulated from 1-4-1986. Such individuals are therefore entitled to the arrears of 'personal Pay.'

[Govt.Lr.No. 114108/F.R. II/86-5P&A.R. dt. 19/2/1987]

6. RECORD CLERK S.S.L.C. QUALIFICATION

	Clarification raised (1)	Clarification issued (2)
i)	Whether the G.O. Ms. No. 742, Finance, dated 11.7.85 is applicable to the Record Clerks, appointed only after 1.10.84 or whether it is	The minimum pay of Rs.495/- in the time scale of Rs.475- shall be allowed to Record Clerks with SSLC passed qualification only. In the pay of

	applicable for those recruited prior to 1.10.84 also whose pay has already been fixed at the minimum prescribed for SSLC Hold ders in the pre-evised scale and when it is less than the minimum prescribed in the revised scale if fixed correspondingly according to the Fitment Table.	Record Clerkes who have passed SSLC fixed on 1.10.84 in the revised scale falls short of Rs.495/- on 1-10-84 pay should be refixed at Rs 495/- p.m. even though they were appointed prior to these who were appointed after 1-10-84. This is applicable to these who were appointed after 1-10-84 also.
ii)	Whether the Record Clerks with SSLC qualification mentioned in para 3(i) of G O.Ms No.742,Finance,dated 11.7.85 include the SSLC failed, SSLC (Completed) and the completed SSLC as the Minimum basic qualification	The SSLC qualification mentioned in para 3(i) of G.O Ms. No 742, Finance dated 11.7 85. refers to only SSLC passed since the Minimum qualifican tion prescribed for direct recruitment to the post of Record Clerk is SSLC appeared.
iii)	Whether the X Std. (failed) of Andra is eligible for the minimum pay prescribed in G O. Ms. No. 742, Finance, dated 11-7-85.	The X Std. (failed) of Andhra is hot eligible for the minimum pay prescribed in G O. Ms. No. 742. Finance dated 11-7-85.

[Govt. Lr. No. 48819/PC.II / 86-1 Finance (P.C.) Dept dt 9-2-1987]

7. **SENIOR & JUNIOR — RECTIFICATION OF PAY ANOMALIES.**

ILLUSTRATION I

'C' and 'D' were promoted from the category of Assitant Section Officer as Section Officer in the Secretariet, 'C' being he senior of the two Details of pay of 'C' and 'D' are given below:-

	Pre-revised Scale Rs.	Revised Scale Rs.
Assistant Section Officer	450-20-590-25-740-30-800	780-35-1025-40-1385
	525-25-675-30-855-35-925 (SG)	1045-45-1450-65-1775 (SG)
Section Officer	675-35-885-45-1200	1160-50-1460-70-1950

	'C' (Senior) Rs.	'D' (Junior) Rs.
1. Date of promotion as section officer	3.2.84	25.4.84
Pay as S.G.A S.O.	735 (e e.f.1.4.83)	735 (e.e.f.1.10.83)
Pay as S.O.	745 (FR 22(1)(b)(i)	745 (FR 22(1) (b)(i))
S.G A.S.O increment on 1.4.84	765	Reversion on 15.5.84 and pay in S.G.A.S.O 735
Pay as S.O. on 1.4.84	815 (F.R.22 B)	S.G A S O. 1225
2. Pay fixed on 1.10.84	1,310	Incremention 1.10.84 1270 Repromition an S.O. on 3-10-84 Pay fixed 1360 (FR •• ••—B) (rulins (5) under FR 22-B exempted

The pay of 'C' the senior shall be stepped up to 1360/- with effect from 3.10.84. The subsequent annual increment of the 'C' and 'D' shall accrue after completion of requisite qualifying service.

ILLUSTRATION – II

'A' and 'B' are Junior Assistants, 'A' being the senior among the two. Details of pay of 'A' and 'B' are given below:

Pre-revised scale : Rs. 350-10-420-15-600

Revised scale : Rs. 610-20-730-25-955-30-1075

	'A' (Senior) Rs.	'B' (Junior) Rs.
1. Pay drawn in pre revised scale on 30.9.84	400	390
2. Pay fixed in the revised scale on 1.10.84	690	690
3. Date of next increment	1.1.85	1.10.84
4. Pay with effect from 1.10.84	690	710

The pay of 'A' shall be stepped upto Rs. 710 with effect from 1.10.84. His date of subsequent annual increments with effect from the date of refixation of pay.

[G.O.Ms. No. 859 Finance (pc) Dept 11—9—1986]

8. Joining Time:

According to G. O. Ms. No. 281 P. & A.R. (FR. III) dated 21-3-86, when a Govt. servant on transfer joins a new post without availing himself of the full admissible joining time, the number of joining time which has not been availed of subject to a maximum of 15 days shall

be credited to his earned leave account subject to the condition that the E.L. already at his credit added does not exceed 180 days.

The following clarification is issued on the G. O. cited above.

Govt. Servants who were tranferred and joined duty prior to the issue of G.O. Ms. No. 281, P. & A.R. dated 21-3-86 and who did not avail themselves of either the admisible joining time or special C L. within 6 months from the date of transfer shall be sanctioned special C.L. and not E.L. paragraph 4 of the G.O. cited shall stand modified as

"The order is issued in modification of G.O. Ms. No. 929, P. & A R. (F.R.I) dated 13—8—79")

(Govt. Lr. No. 74168/86-5/P & A.R. (FR. 3) dept. dt 27-11-86

9. ADVANCE INCREMENT FOR ACCOUNT TEST

The benefit of advance increment may be given with effect from the next day of the last day of the. ACCOUNT TESTS PART I irrespective of the fact whether one is holding ordinary/ selection / special grade posts.

(Govt Lr. No. 102456 / F.R. II / 86—3 dt 9—2—1987)

CHAPTER 1

The purpose of Account and Audit

PARA: 2-3. *Accounts and Accounting* : 'Accounts' are statements of facts relating to money or things having money value. Accounting is the process through which financial transactions are registered, and classified under various heads, the results of the transactions being arranged in such a form as to show clearly the significance of each transactions as well as the combined effect of any desired series of transactions.

PARA: 4 *Compilation of Accounts* : This involves compilation, i.e., to compose and arrange materials collected from other records. The initial accounts are prepared by the departmental officers and the Accountant General compiles under different prescribed heads, the initial accounts received by him and arranges the result of transactions under those heads in such a form so as to bring out the combined result of all the transactions which occur during a given period. The audit Department has also to compile the annual combined Finance and Revenue Accounts of the Union and States, showing the whole of government transactions arising in and outside India.
PARA: 5. *Audit* : Audit is an examination of accounting records to establish whether they correctly and completely reflect the transactions which they purport to relate. Audit does not entail preparation of accounts but an auditor satisfies himself that accounts examined exhibit a true and correct state of affairs according to information given in the accounts etc.

Purpose of Audit: Audit acts as an instrument of financial control, in that;

(a) it acts as a safeguard against extravagance, carelessness or fraud on the part of the executive in the realisation and utilisation of government money or other assets, and

(b) it ensures that the accounts maintained truly repre sent facts and that the expenditure has been incurred with due regularity and propriety and there is no wasteful expenditure.

(c) it assists goverments within its sphere of functions to suggest improvements in system and educating the executive.
PARA : 6-7 The agency employed for the above purpose is called an "Auditor", and the Indian Audit and accounts Department is the "Auditor" of Government transactions. It is independent of the executive or other departmental officers of Govern-ment, who are interested with the realisation and utilisation of public money or other assets.

PARA : 8 The fundamental principles of audit are prompt pay ment, of money into the treasury, the strict following up of arrears, the necessity for accounts portraying the facts, the value of checking the accounts and of conducting local ins-pections, periodical stock verification, and the check with the check of stock with the accounts.

CHAPTER 2

Governmeut System of Accounts and Audit and Commercial System

A. Accounts

PARA : 11. *Principles of Cammercial Accounting* : A non-govern-ment commercial concern deals wiih utilisation of capital, its relation to its creditors a d debtors its gain or loss and whether it is solvent or insolvent. It has therefore to main-tain detailed accounts of assets and liabilities, manufacturing, Trad ing profit and loss accounts and balance sheets.

The commercial system of accounts are therefore maintained what is called the double entry system as in every transaction two parties or accounts are involved.

PARA: 13-15. *Principles of Government Accounting* : Government have to decide what expenditure will be necessary to administer the main branches of its activities, and to determine how to raise sufficient money to meet the expenditure. Government account are therefore designed to enable government to determine how little money it need take out of the pockets of the tax payers, in order to maintain its necessary activities at the proper standard of efficiency.

The classification of transactions in Government accounts is determined firstly by the administrative classification of its activities, and secondly by the classification of the nature of the transactions. Unlike commercial accounts, the immediate objective of Government accounting is not to acertain gain or loss on transactions. In its Budget for a year, Government is interested to forecast with the greatest possible accuracy what is expected to be paid or received during the year, and whether the latter together with the balance of the past year is sufficient to cover the former. The compiled accounts will show to what extent the forecast has been justified by the facts, and whether the results of the year show a surplus or deficit. On the basis of its budget and the accounts. Government determine (a) whether it will be justified in curtailing or expanding its activities, and (b) whether it can and should increase or decrease taxation accordingly.

PARA: 16. *Goverment Commercial Undertakings* : In cases of an industrial factory or a store, maintained for the benefit of departments, it is necessary that the financial results of the commercial or quasi-commercial under taking should be expressed in natural commercial form, so that the cost of the service or

undertaking may be accurately known. For this purpose suitable Capital, Manufacturing. Trading and Profit and Loss Accounts has to be maintained on a *proforma* basis outside the general accounts of Government which is on a purely cash basis. The actual transactions entering the proforma accounts except those adjusted on a liability basis find a place primarily in the regular accounts and the commercial accounts are additional as well as separate.

Note: In respect also of statutory corporations and government owned companies which are expected to work a definite result or target separate commercial accounts are maintained as prescribed in each case.

PARA 17 : *Methods of Government Accounting*: The mass of accounts is kept by a single Entry. A protion also kept on the Double Entry system so as to bring out the balances of accounts by a more scientific method and to guarantee the accuracy of the balances already worked out in the single entry compilation.

B. Audit

PARA: 20. *Objects of commercial audit are:*

(i) to understand the system of accounts, ascertain the sanctioning authority and see that the transactions are in accordance with the orders of sanctioning authority.

(ii) to check the accuracy of the original records, e g., cash book etc.

(iii) to investigate unnsual items.

(iv) to check the compilations of accounts.

(v) To review the proceedure of stock taking and

(vi) to prepare Manufacturing, Trading, Profit and Loss Accounts and the Balance Sheet.

PARA: 25. *Objects of Government audit are :*

(1) that there is provision of funds, and competent sanction to cover expenditure, and that the provision of funds and exercise of the financial power are dulya uthorised.

(2) that payment has as a fact been made, and has been made to the proper person, and that it has been so acknowledged and recorded that a second claim against Government on the same account is impossible.

(3) that the charge is correctly and properly classified and that any recoverable payment is recorded as such in prescribed account.

(4) that in regard to receipts, sums are duly recovered and checked against demand, and the amounts have been duly credited in the accounts.

(5) in the case of stores, where a priced inventory is kept the stores are priced with reasonable accuracy, and that the rates initially fixed are reviewed from time to time, and revised where necessary, that the articles are verified periodically, that the quantity and value accounts are tallied and that all differences are reconciled, and.

(6) that the expenditure conforms to the standards of financial propriety.

Government and Commercial Audit : A Gomparision

	Commercial Audit	*Government Audit*
PARA: 21. Agency :	Audit is entrusted to quanlified auditors who are outside agents.	Audit is entrusted entirely to Government officials

PARA: 24. Periodicity: The audit more often than not periodical	Audit is continuous on account of volume of work and necesisty for promptitude.
PARA: .2 23. Check of initial records : Fully checked.	Apart from checking that there is a voucher for every payment, the check of accuracy of original records is left largely to department officers a test check only being done during local inspection.
PARA: 22. Check of Receipts : Fully checked.	The check is in most case left to department responsible for collection of revenue, test checks being done in some cases.
PARA: 23. Check of Expenditure: All expenditure is completely checked.	Under the Government system, Executive officers of the spending departments and Treasury Officers take an important share in the scrutiny of expenditure. Otherwise audit of expenditure is undertaken by the Indian Audit Departmen independent of the spending department.
PARA: 23, Check of stores and stock : Checks the accuracy of the accounts of stock taking and pricing the goods.	The check is almost entirely left to departments in whose custody the stores and stocks are kept.
PARA: 26. Check of account: Auditchecks compilation of	The greate portion of the accounts, is after a certain

Commercial Audit	*Government Audit*
the accounts from original records and suggests correction in classification.	point compiled by audit which checks the preliminary accounts. The compilation in the audit office is test checked internally and where accounts are sparated from audit (e g Railways), every process of compilation upto the final account is test checked in audit. The classification is adequately checked as prescribed
PARA: 26 Compilation of account :Audit prepares the Manufacturing, Trading and Profit and Loss Accounts examines depreciation of assets, soundness of investments, debts due and correct allocation of expenditure to capital account.	The annual finance accounts are compiled by audit. In the case of quasi-commercial or commercial undertakings proforma accounts are prepared by the undertakings on a commercial basis, outside the regular accounts financial results are reveiwed by audit. Allocation of expenditure between capital and revenue is checked.
PARA: 27, 28 Objects of Audit : (a) Detection of fraud.	(a) Detection of fraud in an audit office is rare as part of the work connected with the scrutiny of expenditure is entrused to the officers of the spending departments. The preliminary paid at the treasuries or by disbursing officers is left to Treasury officer etc. Under the existing system the certification

of the initial facts is left to the executive officers,and the Indian Audit Department verifies a certain percentage at local inspection. Most of the frauds are therefore detected bythe executive officers. The Audit officers render valuable assistance by pointing out the defers and irregularities. Audit acts more as a deterrant moral check.

Commercial Audit	*Government Audit*
(b) Detection of errors of principle.	(b) In Government audit there is little scope for errors of principle, as a single authority viz., the Comptroller and Auditor General is responsible for determining or advising as to the form of accounts.
(c) Detection of technical errors.	(c) A good number of audit objections fall under this category.

CHAPTER 3

The Position and Functions of the Comptroller and Auditor General of India

PARA: 30. The Comptroller and Auditor General of India is a high and independent statutory authority under the Constitution. Nothing can fetter his discretion or judgement in any manner as to matters he may bring to the notice of the legislature through his Audit Reports in the discharge of his duties without fear or favour affection or ill will. The Constitution safeguards

his freedom and independence in seeing the highest standards of financial integrity and watching the interests of the taxpayer in various ways. He is appointed by the President and can be removed from office in like manner as a Judge of the Supreme Court. He would not be eligible for any office, after retirement under Government and his salaries and allowances as well as those of his office establishment are not subject to the vote of the legislature.

The Comptroller and Auditor-General of India is administrative head of the Indian Audit and Accounts Dept. He derives his financial powers by delegation from the Union Government.

PARA: 34, 37, *Powers as Regards Accounts*: (a) The Initial and Subsidiary Accounts Rules issued under the Audit and Accounts Order of 1963, give him power to prescribe the form of the initial and subsidiary accounts. Article 150 of the Constitution gives him similar powers. Thus the Comptroller and Auditor-General has two alternative methods by which he can prescribe the form of initial and subsidiary accounts, and of the accounts rendered to his offices either under Article 150 of the Constitution with the approval of the President or under the 'Initial and Subsidiary Account Rule' on his sole authority.

He is statutorily responsible for compiling the accounts, at the final stage of the Union including Union Territories with legislature and of each of the States other than accounts relating to Defence, Railways, transactions in the United Kingdom and certain other departments of the Union Government He is however relieved of the responsibility of compiling the initial accounts kept in treasuries, departmental offices including stores and stock accounts, trading, manufacturing profit and loss accounts and balance sheets that may be required to be kept in any office though he is competent to prescribe the forms in which such accounts should be kept and the form in which the accounts should be rendered to him for audit and final compiliation.

In order to ensure the correct maintenance of such accounts, it is open to him to inspect treasuries and departmental offices rendering such accounts to him.

PARA: 36 (b) The Auditor-General preparers the Annual Finance Accounts and Appropriation Accounts for each Government and submits them to the respective Goveruments. Under para 12 of the Audit and Accounts Order 1936 the Combined Finance and Revenue accounts of the Union. Union Territories and State Govenments in India are prepared andsubmitted by him to the President. He is required to give such information as each Government may require from time to time from the accounts ands assistance in the preparation of the annual Financial Statement.

DUTY OF COMPTROLLER & AUDITOR GENERAL

PARA: 38. 1. In regard to Audit of Government Accounts, it is his duty :—

(*i*) to audit all *expenditure from the Consolidated Fund* of the Central Government and of each State and to ascertain whether moneys shown in occounts as having been disbursed were legally available for the service or purpose to which they have been applied or charged and whether expenditure conforms to the authority which governs it.

(*ii*) to audit *all receipts* which are payable into the Consolidated Fund of India or of a State or a Union Territory having a legislature and to satisfy himself that rules and procedure are designed to secure an effective check on assessment, collection and proper allocation of revenue.

(*iii*) to audit the accounts of Stores and Stocks kept in any office or Department of the Union or of a State.

(*iv*) to audit all transactions (including receipts) relating to Contingency Fund and Public Account.

(*v*) to audit all Trading, Manufacturing and Profit and Loss Accounts, Balance Sheets and other subsidiary accounts (including receipts) kept in any department of the Union or of a State.

It is his duty to submit his report on each of the cases mentioned above.

2. The Comptroller and Auditor General has the **authority** :-

(*i*) to inspect any office of accounts under the Centra and the State Governments including Treasuries and such other offices as are responsible for keeping of initial and subsidiary accounts.

(*ii*) to require that any accounts, books, papers, documents which deal with, or form the basis of or are other wise relevant to the Transactions to which the duties of audit extend shall be sent to such place as he may appoint for his inspection.

(*iii*) to put questions and make observations to the person incharge of the office and to call for such Information as be may require for the preparation of any accounts of report which it is his duty to prepare.

The person incharge of the office inspected/audited by the Comptroller and Auditor General shall afford all facilities for such inspection and comply with requests for information in as complele form as possible and with all reasonable expeditionr

CHAPTER 5

Distribution of Responsibility for

the keeping and audit of the accounts

PARA: 49,50 The main branches of the Indian Audit and Accounts Department are : Civil Audit offices, Commercial audit offices, Railways, Posts and Telegraphs and defence Service -Audit offices and Audit offices in the United Kingdom and Washington. Under the Comptroller and Auditor-General there are 20 Heads of civil audit offices the Director of Railway audit, the A.G. Posts and Telegraphs, Regional Directors of commercial Audit, Director of Audit, Defence Services and the Director of Audit, of Indian Accounts, London and the Director of Audit, Indian Accounts, Washington.

PARA: 55 The Director of Commercial Audit is responsible for the local audit work of all commercial undertakings of the Central Government. The local audit of the State Commercial concerns is undertaken by the State Accountant General. The audit of the accounts of departmental commercial units of the Union on the Defence and Railway side is carried out by the Director of Defence Services Audit and the Director of Railway Audit respectively. The Audit Board which forms part of Comptroller and Auditor General's organisation conducts review of the accounts of selected Government owned Companies and government statutory Corporations.

PARA : 57 All the Civil Audit offices compile the accounts of the transactions audited by them.

PARA : 61 Proforma Accounts of government commercial enterprises are maintained by the department responsible for carrying out the activities of the commercial concern. In

certain cases officers of the Indian Audit Department are asked to organise a commercial accounting system and to give the necessary guidance.

CHAPTER 6

General structure of the Financial administration

PARA : 63,66 The executive power of the Union Government rests in the President of India and that of the States in the Governors. Union territories are under the control of the President with administration appointed by the President. The initial responsibility for the administration of eachd epartment of Government activities in the Union, Union territories or the States is laid upon the head of the department concerned controlled and guided by the Government to which he is subject.

PARA : 67,69 The Union Government including Union Territories with no Legislature, the several States and the Union territories with legislatures have each (1) a Consolidated Fund into which all revenue or other receipts are credited and from which all expenditure when authorised by the legislature is withdrawn, (2) a separate Public Account, into which all other public moneys received by or on behalf of the Government are credited and from which disbursements are made in accordance with the prescribed rules, and (3) a Contingency Fund to enable advances to be made by the President/Governor / Administrator of the Union territory with legislatures for meeting unforeseen expenditure pending authorisation by the Legislature.

PARA: 70 The sources of revenue and taxation of States or Union territories with legislatures are distinct from those of the Government of the Union but the financial arrangements under the Constitution provides for the assignments to the

States a share of certain duties taxes or other income or grants-in-aid by the Government of India.

PARA: 71, 72 *Treasuries* : The treasuries are the units of the fiscal system and the points at which the public accounts start. All receipts of Government are paid into treasuries and all payments on behalf of Government are disbursed from treasuries. Generally when any one has a payment to make to Government he persents the money with a chalan at a treasury, and gets a receipt for it. When he has a payment to receive from Government he presents at the treasury a receipted bill, or a cheque issued in his favour by a competent officer, and obtains payment on it. Treasuries situated in a State are controlled by the State Government and are called State treasuriss. Such treasuries, not under the control of the State Government and treasuries in Union are called central treasuries. Treasury Rules regulating the payment of moneys into, and the withdrawal of money from treasuries are issued by the President or Governor of each State.

PARA : 73 *Accounts with the Reserve Bank* : The Union and State governments keep their own separate balances and separate accounts with the Reserve Bank of India, officers of Reserve Bank of India and of the State Bank acting as their agentdeal with two groups of accounts one of the Union and the other of the State in which these are situated the latter group embracing also the transactions of other State Governments. Complete accounts of the balances of the Central Government & each State Government are maintained by Central Accounts section of the Reserve Bank at Nagpur, which reanders a statement of the balances of each Government to the A.G. concerned.

PARA: 74. Transactions occurring in non-bank State Treasury on account of Union Govt or on behalf of other State Govts. are carried out in the first instance against the balance of the State in which the treasury is situated. The Central Accounts

section at Nagpur, acts as a Clearing House for the adjustment of all inter government transactions, as well as those of the Central Govt. (including Railways, Posts and Telegraphs, etc.,) with the States. The necessary adjustment against the balance of each Government are carried out under the advices of the respective Accounts Officer

PARA : 75-79 *Initial Account* : The initial receipts and payments occur at treasuries which compile separately the accounts of the Central and State Governments. In the case of certain large deparnments like the P.W D the payments are made in lump though the departmental officers, and money is drawn in lump on cheques isused by them on the treasury The treasury accounts show only lump transactions and the departnment officers prepare the detailed accounts All transactions are classified in detail, and the monthly accounts are sent by the treaesury and departmental officers or Pay and Accounts officers where are they are set up or the Accountant General concerned to the Accounts Officer who compiles them into the Consolidated accounts Government departments.

PARA : 80-83 *Compilation* : All transactions in India as well as those in the United Kingdom are incorporated in the books of the respective Accounts Officers Each A.G works out the progressive figures of the year separately for the Union and each State or major department like Railways. etc The annual accounts of each Government known as the Finance accounts together with the Appropriation Accounts of each Government are submitted by the comptroller and Auditor General to the President/Governor Administrator of Union territory with legislature as the case may be, together with an Audit Report. In addition the Comptroller and Auditor-General of India consolidates, all the accounts into a Combined Finance and Revenue Account for the whole country for submission to the President.

PARA : 85. Audit of Government transaction is, in a large number of cases conducted before compilation either before or after the expenditure is incurred; but in some cases to ensure expedition in the compilation of the general monthly account, audit is done after the compilation. The audit of the Revenne Receipts is for the most part conducted by the departmental officers, while the audit of expenditure, apart from the limited checkes applied at the treasuries and departmental Officers, is wholly conducted by the audit department.

PARA: 86-87. *Provision of Funds* : In the cold weather of each year detailed estimates (called budget estimates) are prepared by the Finance Department, of the probable receipt and disbursements for the ensuing financial year. At the time the budget estimates of the current year are reviewed, and necessary action is taken to obtain addisional allotments or to surrender unwanted funds.

PARA: 88. *Ways and means* : Arrangements are made that the cash balance shall at all times be sufficient to meet Government requirements. A forecast of these opening balance the monthly in-commings and the outgoings is prepared and a careful watch is kept to ensure that the estimated Government cash balance as a whole never falls unduly low. If a deficit balance is expected the Central Government borrows from Reserve Bank of India against issue of treasury bills while State Government trakes ways and means advance from Reserve Bank. The Central Government also assists State Governments by phased releases of statutory grants, divisible income, or temporary accomodation.

PARA: 89 *Resource :* This is the process of distributing the cash balance of Government between the different treasuries or paying centres so that each shall at all times have sufficient funds to meet the local demands on it. This is done by

the Reserve Bank of India and is carried out either by remittance of notes and coins between treasuries or by establishment of 'currency' chests for utilising for remittance purposes,the cash balances held against the note circulation.

CHAPTER 7

Currency and Resource Arrangements

PARA : 93. *Currency* : This consists of coins and one rupee currency notes issued by the Government of India, and bank notes issued by the Reserve Bank of India which has the sole right to issue bank notes.

PARA 99-100. *Cash Balance* : The cash balance of each Government is made up of the balance in its account with Reserve Bank of India and the balance at its treasuries and sub-treasuries. At place where the cash business is conducted by the Bank, Government receipts and disbursements are dealt by it, and the Bank is responsible for the distribution and maintenance of the necessary funds. This is arranged by currency offices. Each Government has to keep in its account at the Reserve bank a sum sufficient to cover the disbursement which the Bank has to make on its account. The transfer of funds among various treasuries, and branches of the Bank in such a way as to keep sufficient balance in each place avoiding unnecessary locking up of funds, is an important part of the resource work.

PARA: 101. *Transfer of funds* : The transfer of funds between treasuries and branches of the Bank is effected through the medium of currency chests maintained at treasuries and sub-treasuries. A deposit of notes in a currency chest decrease the amount of notes incirculation, and the deposit of rupees in the chest increases the assets of the issue Department of the Bank. A deposit of notes of coin in a currency chest thus enables the bank to issue notes for an equal amount elsewhere. If therefore, a balance of money has to be transferred from Treasury (A)

to Treasury (B) this can be effected (without a physicial transfer of cash) at short notice by depositing the money in the currency chest (A) and transferring an equal amount from the currency chest at (B) to Treasury balance at (B). Thus it is possible to keep the treasury balance at as low a figure as possible, and the treasury can be replenished at any time from the currency chest. Frequent remittances of coins or notes between treasuries is thus avoided, as surplus funds can always be kept in the currency chest and made available for use elsewhere pending a convenient occassion for remittance.

PARA : 102. The Reserve Bank provides facilities to the public for sending money from one place to another by means of Telegraphic Transfers or Reserve Bank drafts to and from places where the bank has a agency. Similiar facilities are also given by Government treasuries acting as 'Treasury Agencies' of the Reserve Bank for the purpose.

CHAPTER 8

FUNCTIONIGN OF A TREASURY

PARA: 104 , 115. *Origanisation and Function of a Treasury* : Treasuries are of two kinds. Banking and Non-Banking. In a bank treasury the cash transactions of the treasury are conducted by the Reserve Bank of India or its agents while non-bank treasuries conduct themselves the cash transactions.

The treasury Officer is in immediate executive charge of the treasury subject to the administrative control of the Director of Treasuries and Accounts. He is assisted by the Head Accountant (Assistant Treasury Officer) in charge of the accounts branch and the Treasuries in charge of cash etc., branch. The treasury is, thus divided into two departments (1) Accounts and (2) Cash Stamps opium etc , in charge of the ireasurer.

The treasury is kept in the strong room which is double locked and can be opened and closed only when both treasury officer, holding one of the keys and the treasurer holding the key of the other lock are present.

Moneys are received by the treasurer with reference to chalans duly approved by the concerned departmental officers where necessary and passed by the Accounts branch and payments are made on pay orders signed by the Treasury officer. The treasuries, cash accounts and the accountants accounts recording actual receipt and payments and the chalans & bills passed respectively are closed at the end of each day and agreed by the Treasury officer, who also verifies the cash balance in non-bank treasuries.

In banking treasuries, the bank receives cash with reference to chalans passed by the treasury officer or markes payment with reference to his payment orders, unless specified otherwise in particular cases. The bank renders daily accounts to the Treasury officers, who incorporates them in his accounts.

PARA; 117,122. *Monthly accounts*: The daily transactions are posted in classified abstract and consolidated at the end of the month incorporating sub-treasury transactions also as per separate sub-treasury monthly accounts rendered by them and the monthly accounts to be rendered to the Accountant General is prepared. Separate schedules of receipts and payment in the prescribed forms are prepared and attached to the account. The first batch of payment schedules supported by the necessary vouchers is sent to the A. G. on the 10th or 11th of the month, while the remaining documents together with the cash account are sent on the first day (or other date as fixed by A.G.) of the succeeding month. The schedules, lists of payments and the Monthly Account constitute the primary fabric of the public account,

PARA: 123, 124. *Correctness of Accounts :* This is secured by the daily agreement between the two sets of books kept by two independent officials the Accountant and the Treasurer and the monthly verification of the actual cash balance by the Treasury Officer. Similarly all moneys or valuables are secured under double lock system, in the hand of two independent officials, T. O. and the Treasurer, (who gives substantial security).

PARA: 132, 133. *Check at the Treasury :* The T.O. can pass a bill for payment if it is in order ; the implication is that he has to satisfy not only himselt but also the Accounts Officer that every claim is valid and payment has been correctly made. He therefore, applies a general check to all vouchers before payment to ensure that they are correct and complete, that claim is covered by a general or special orders, that the voucher is in proper form and drawn up properly, signed and countersigned if necessary by the competent officer, stamped where necessary, arithmetically correct, has no erasures of unattested corrections and that the amount claimed is entered in words and figures. This internal check by the treasury is an indispensable element of the general arrangements for preventing irregular payments from the public funds. The audit department applies the detailed post-audit with the sanction, orders and codes of the different departments, including a reapplication of the checks applied at the treasury.

PARA: 134. *Classification :* This is first recorded by the departmental officer on the chalans and vouchers. In a number of cases, the classification is printed on the prescribed froms or bills. The treasury checks the classification, and gives particulars of the transaction in cases where the full account classification is wanting. The accounts office which examines the account in detail, checks and completes the classification as recorded by the departmental officers on the bills, vouchers and other documents.

PARA: 135. *Teasury Inspection :* Each treasury is inspected by the Audit officer periodically. The Inspection Report is in

two parts, one covering matters relating to Currency, Resource and Public Debt, and the other dealing with all other account matters. The A. G. reports to Government all important points of irregularities which are not settled by reference to the head of the department.

The object of inspection of treasuries by an Audit Officer is to assist the Revenue authorities in establishing a system of treasury working strictly in accordance with the rule prescribed by Government and that the rules prescribed are understood and observed. He may also be asked to undertake any special enquiry desired by Government. He is required to see that the procedure observed at treasuries meets all the requirements of audit and that accounts are properly maintained.

Where at test audit of any class of vouchers not audited in the audit office is prescribed, necessary checks are done during local inspection, the original vouchers required for the purpose being brought from the audit office.

On behalf of Government or the Reserve Bank, it is also seen that the order regarding the custody and handing of treasure are duly observed and that the registers and forms prescribed for securities are correctly kept.

It is also seen that irregularities previously brought to notice have been remedied and that the correct procedure is being observed in such case.

General Relation: In matters of accounts and check at the treasury, the T.O. is bound to carry out the instruction of A. G. In regard to "Resource" he is bound to carry out the instructions of the Currency officer.

CHAPTER 10

PARA : 201-203. The original records basis of accounts and audit.

Audit is required to ensure that the accounts represent the actual state of affairs. As the compilation in most cases is done from the records submitted by the treasury and departmental officers audit is able to certify to the correctness of the compilations. Where the accounts are not kept in the audit office, the compilation made by the account office is checked by audit to ensure correctness.

The accounts received from the treasury and departmental officers are copies of the initial accounts supported by the necessary vouchers and the original records are not available to the audit office. Unless audit examines all the original records it cannot verify the accuracy of the account it compiles.

It is the duty of audit to enforce that for every payment there is a voucher in support. The document contains the necessary particulars of the claim and the receipt of acknowledgement of the payee and every payment is identified as the voucher is checked in audit.

PARA: 204 *Initial Records* : The P.W. Engineer counts coollies in the work shops and records their numbers in a Muster Roll. He measures construction work and records the measurements in the Measurement Book. A drawing officer signs a contingent bill or travelling allowance bill after seeing that the articles or services are necessary or that journeys have been actually made. It is at this point that the accounts-spring direct from facts and they obtain whatever vitality they possess. Their accordance with facts, in their subsequent presentation to audit depends on their truth at these points Audit does not come in here at all and the accordance of the initial record with facts is accepted by audit on the statements and responsibility of the executive

and administrative disbursing officers who alone can verify the initial record with fact.

What audit does in such cases is to require receipt of the payees' certificates of the disbursing officers, and the countersignature of the controlling officers on the vouchers and other documents received in audit. It cannot see the facts and its contact with facts is through receipts and certificates reinforced in some cases by countersignature. Audit cannot verify the facts unless it has a very large establishment to witness every act of the departmental offices. Audit check is therefore supplemented to a large extent by executive check and the part played by countersigning and controlling officers.

PARA: 210-211 *Verification of fact*: The Executive Officers have an intimate knowledge of the details of work done and are in a better position to verify facts and to check the economy of expenditure passed by them than outside officials would be and audit has therefore depend largely upon the executive in this respect. Audit however examines through the records submitted the manner in which executive officers discharge their financial responsibility, and to supplement this check it carries out a local inspection and test audit of the original records periodically in treasuries P. W divisions and other important account units. Audit should not make independent enquiries among the tax payers or the general public.

PARA: 212 *Detection of Fraud*: This is almost impossible by audit except at the verification of the original records and such detecsion in an audit office in India is therefore rare. But frequently the detection of fraud by executive officers is due to the letters issued by audit plainly indicating that someting is wrong.

Frauds are also detected at local inspections where initial records are seen. Audit thus gives useful help in this direction.

PARA : 213. *Investigation of Fraud* : Frauds should be investigated carefully. The tendency to frame new rules to prevent each fraud should be resisted, and it is important to ascretain whether the exercise of ordinary common sense and the application of the existing rules would not have prevented the fraud. Fraud is better prevented by punishing the guilty person, and the official whose negligence rendered the fraud possible. Where a defective system of check is noticed the system should be revised.

PARA: 215-216. *Check of Account* : The accounts rendered by treasuries & departmental officers show the opening balance, receipts, payments and the closing balance which is certified to are verified and are supported by lists of payment scrolls and supporting vochers. It is seen that the detailsof each work up to the totals shown in this accounts.

PARA: 217. *Check of vouchers* : Vochers are checked to see. that they are complete and correct in all respects, are properly receipted and stamped as 'paid', that claims have been made within the prescribed time limit and that head of the office has signed the bills. If should also be seen that the figures are arithmetically correct that necessary pay order is recorded and that the charges are covered by necessary sanction etc.

CHAPTER 11

Classification of Rececipts and Expenditure in Government Accounts

PARA: 221. Parts and Divisions of Government Accounts : The accounts of various Governments are kept in the following three parts and a certain degree of correlation is maintained between the general accounts on the one hand, the demand for grants and appropriations accounts on the other.

Part I—Consolidated Fund : The main divisions are;

(1) Revenue and Expenditure heads all recipts classed as revenue and expenditure therefrom, the net result of which represents the revenue surplus or deficit for year.

(2) Capital Receipts and Disbursement heads-expenditure usually met from borrowed funds on objects of public utilit or concrete assets of material character, and receipts of a capital nature.

(3) Public Debt and loans and Advances - Loans raised by Government for temporary purpose as well as other loans classed as 'Permanent Debt' loans and advances made by Government, and the repayments or recoveries.

Part II—Contingency Fund : records transactions connected with the Contingency Funds set up by several Governments in India.

PARA: 219-221 Part III—Public Account includes (a) Debt and Deposit heads and (b) Remittance heads.

Under each division the transactions are grouped under 'section' which are further divided into major head comprising of minor heads with a number of sub-heads and detailed heads thereunder 'charged' and 'voted' portions are separately shown.

PARA: 222 Capital Expenditure : This may be financed from (a) Revenue and (b) borrowings for general or particular purpose or unfunded, and (c) accumulated balances of Government. Expenditure met from (b) and (c) is treated as outlay financed outside the Revenue Account, and recorded in a separate section. Capital Expenditure met from Revenue is recorded within the Revenue Account.

PARA: 224 Principle of classification : Subject to the general or special orders issued by the President or Governor after consulting the Comptroller and Auditor General, and directions regulating

inter departmental transfers and adjustments between Governments, the broad principle of classification generally is that the head to which a receipt of payment belongs has closer reference to the department where it occurs than its objects or grounds.

PARA: 225 Responsibility for classification : This process should be carried out most carefully and rigidly. The primary responsibility for the classification of bills, vouchers etc. rests with the administrative authority and audit has to check this before it compiles the accounts or to check the correctness of the classification of every item in the compiled accounts which it receives.

CHAPTER 12

Functions and Spirit of Audit

PARA 226. Aim of Audit : The function is to verify the accuracy and completeness of accounts. The broad aim of audit is to safeguard the financial interests of the tax payer and to assist the Legislatures in exercising financial control over the Executive. The right of independent criticism is inherent in the auditorial function.

Audit cannot prescribe what rules and orders should be made. It is the function of the Executive Gavernment to make the rules and orders. Audit should however verify that the rules and orders made by Government satisfy the provisions of the law and are otherwise free from audit objection and that these rules and orders are properly applied.

The Executive Government is responsible to enforce economy in expenditure but audit should call attention to wasteful and infructuous expenditure.

PARA: 229,231 Purpose of Audit: The fundamental object of audit to secure real value for the money of the tax payer by seeing that expenditure is not irregularly and wastefully incurred, should

not be lost sight of in the mere application of rules and orders. Audit should avoid undue insistence of trifling errors and technical irregularities and devote greater attention to really important and substantial irregularities. An auditor must develop an instinct for assessing the importance of an individual irregularity. The audit checks prescribed should be observed in the spirit and not in the letter as opposed to the spirit, and audit should waive petty objections within its powers, freely but with discretion.

PARA: 232-234 Procedure for audit scrutiny: The detailed audit should be carried out strictly and every infraction on the rulebrought to light by the auditor. It will be then for the competent officer to exercise his discretion to waive petty objections and to deter mine which objection raised under the strict letter of the law can be waived. If it cannot be waived, it should be pressed firmly but in courteous language. The more important the objection, the more necessary it is to couch it in courteous and impersonal form. It is desirable to relax formalities in exceptional circumstances. Audit depends for its effective value on its right and duty to report irregularities or improprieties and get these remedied and this function demands high degree of understanding blanced judgement, and sense of proportion.

PARA 235 Audit to assist Government: Audit should assist Government in financial matters as an instrument of financial control. It should not only point out mistakes but also advise how such mistakes may be rectified or avoided in future and render construtive help when necessary and suggest improvement in systems.

CHAPTER 13
Audit of Receipts

PARA: 237-242 As per Art: 151 of the Constitution. the reports of the Comptroller and Auditor General of India, relating to the accounts of the State shall be submitted to the Governor.

This report must relate to totality of the accounts of the State and covers not only expenditure but receipts as well. However due to historical reasons, the audit of receipts has not been so pervasive as audit of expenditure. Under the existing conditions the receipt of the major departments of the Central and State Governments, like the 'Customs Dept.', 'Income Tax Dept.', 'Central Excise Dept'., 'Sales Tax Dept.' and the receipts of some smaller departments like the P.W.D. and Forest are also audited. In the audit of receipts it is generally seen that :

(1) sums due are regularly recovered and checked against demand.

(2) sums received are duly brought to credit in the accounts.

The important function of Audit in relation to assesments, collection and refunds is to satisfy itself that the internal procedure provides for :

(1) the collection and utilisation of data for the computation of demands and refunds.

(2) the prompt raising of demands on taxpayers as required by law.

(3) the regular accounting of demands, collection anp refunds.

(4) the correct accounting and allocations of collections and their credit to the Consolidated Fund.

(5) that there are proper safeguards to ensure that there is no omission to levy or collect taxes.

(6) that the demand is pursued and not abandoned or reduced without proper authority.

(7) that double refunds, fraudulent or forged refunds or other losses of revenue through fraud etc. are brought to light and investigated.

The detection of individual errors is not an object of audit. Its object is more to form a general jadgment

The errors pointed out are to be set right by the administrative authorities.

PARA 243-247 Check aganist demands: The public 'Demand' arises in two ways:

(1) as specific demand as taxes such as land revenue, excise etc.

(2) a demand which arises in consquence of some outgoing of Government property, cash or Government service, such as sale of lands, stamps, forest produce etc.

The check relating to (1) is exercised by entering it in a register and checked for most part by revenue collecting authorities, the check against (2) varies according to the nature of the demand as described below:

(a) Where it is a sale of property or stock, audit can operate only if returns of the property or stock are sent to audit.

(b) In the case of advances and remittances, audit exercises a direct and complete check.

(c) In the case of Railways & Telegraphs, the dues are subjected to audit check to such extent as may be prescribed in each case.

In the cases of casual receipts like 'deposits' (such as those in the post Office Savings Bank) and Money orders, where the entire amount is repayable, audit checks each repayment against the original receipt.

Audit therefore plays an important part in ensuring that Government receives the sums of moneys due to it and pro-

tect Government against fraudulent or inadvertant omissions to realise its cash dues.

PARA 248 *Cherck of credit in the accounts :* The verification of the credits in the treasury accounts with the corresponding payments of money as reported to audit is a very important and valuable function of audit. The revenue authorities have to make sure that money received by their members is paid into the treasury. Audit has to check that all sums of money paid into Government treasuries are credited by the treasury staff in their accounts. It sends to all large civil revenue-paying departments. (Land Revenue, Excise etc) monthly returns of treasury credits which are compared by the departments with their own records, and differences brought to notice and settled. The P.W.D. Forest and Posts and Telegraph departments send to audit intimation of their payments into treasuries and audit compares these items with the treasury credits.

CHAPTER 14

Audit of Expenditure — Essential Conditions Governing Expenditure

PARA 249—250 : Every payment of money involves three principal processes, viz,, the submission of a claim, the payment of the amount claimed, and the inclusion of the transaction in the accounts.

CONDITION :

1. there should be sanction, special or general of the competent authority.

2. there should be an adequate provision of funds.

3. the expenditurs should conform to the relevant provisions in the constitution, the laws made there under and the financial rules and regulations framed by the competent authority.

4. the expenditure should be incurred with due regard to the broad and general principles of financial propriety.

PARA 232 Duty of Audit : Audit should see that these essential conditions are fulfilled.

In regard to the first three conditions, the auditor has to apply rules and orders as they stand i.e., without any relaxation of his own irrespective of the position of the person against whom they are enforeed.

In conducting audit in respect of propriety, the Audit officer has to scrutinise expenditure from the point of view of an administrative authority. He is required to see that the broad principles of orthodox finance are borne in mind both by disbursing officers and sanctioning authorities. The object should be to support a reasonably high standard of public financial moralite, of sound financial administration and of devoltion to financial interest of Government with due regard the standards of financial propr ety.

PARA : 255. Check of rates paid for work done : This is one of the important aspects of audit against propriety. The scrutiny is usually difficult and requires great intelligence and care. Individual abnormalities in rates should of course be watched (during audit of vouchers) but the institution from time to time of compartive examination through the vouchers and accounts received for audit of the rates paid by the various officers in the same or neighbouring localities may indicate cases in which the rates being abnormal, further enquiry may be desirable. Cases involving considerable sums-should generally be selected Reliaable Schedules of Rates and other necessary information should be obtained with the help of the Finance Department. In the case of P.W.Offices useful work in the direction of making a comparative examination of rates can be done at the periodical inspections of these office.

PARA: 256. Efficiency Audit : This arises in the context of outlay on various development schemes with a view to ascertain :

(1) Whether the various schemes are run economically. Failure to adhere to estimate due to inefficiency or lack of foresight, expensive delays, wasteful or infructiouous expenditure and losses come within the scope of this enquiry.

(2) Whether they are actually yielding the results expected of them. It has to be ascertained how far the physical targets, returns of final objects of the scheme have been achieved.

Principles that should be observed in the audit of sanctions to expenditure:

(i) if the sanctioning authority is vested with full powers in respect of certain class of expenditure, a sanction accorded under those powers can be challenged by audit only on grounds of propriety ;

(ii) if it is vested with powers which may be exercised provided due regard is paid to certain criteria which are expressed in a general form, sanctions accorded under those power can be challegned by Audit :—

(a) if the disregard of the criteria is cousidered to be so serious make the sanction perverse, or

(b) if the facts of the case are such as to make the Accountant General confident that one or more of the criteria have been disregarded ;

(iii) if it is vested with powers which are expressed in precise terms the Accountant General, is bound to ascertain

that the order defining its powers is obeyed exactly in every instance ;

(iv) for the purposes of finanical sanction a group works which form one project shall be considered as one work and the necessity for obtaining the sanction of a higher authority to a project is not avoided by reasons of the fact that the cost of each particular work in the project does not require such sanction.

(v) it should be seen that the expenditure is

(a) a legitimate charge on the concerned sub-head of budget ;

(b) conforms to the relevant financial rules and orders, and

(c) fulfils the standards of propriety.

CHAPTER 15

Audit of Sanction

PARA 258. Nature of Audit : Audit should see the expendin-ture is covered by sanction and that the authority according a financial sanction is competent to do so and that the sanction is definite. The complexity of this audit lies in the knowledge and the correct application of the principles involved. It should be done with utmost care and attention as once a sanction is accepted, expenditure may have to be passed against it for a length of time Audit officers should be fully conversant with the powers of sanction the serval authorities.

PARA, 259-260. Communications of sanction to Audit ; Every sanction should be communicated to the Accountant General by the authority competent to accord sanction as provided for in Rules of Business of the State Goverament. In smaller matters such as contingent expenditure, the sanction is accorded by the siganture or the Counter signature on a bill.

PARA 262. Guiding Principles For Sanction Audit : These are ;

(1) A sanction accorded by an authority vested with full powers in reepect of a certain class of expenditure can be challenged by audit on grounds of propriety.

(2) If the execrise of the powers is subject to certain general condition, the sanctions can be challenged if one or more of the conditions have been disregarded by the competent authority.

(3) If the authority is vested with powers which are expressed in precise terms, audit is bound to see that the order defining the powers is obeyed exactly in every instance.

(4) A gronp of works forming one project shall be considered as one work and necessary for obtaining the sanction of a higher authority to a project is not avoided by reason of the fact, that the cost of one particular item of the project is within the powers of a lower authority.

(5) Any item of a scheme requiring higher sanction should be held under objection pending receipt of such sanction.

PARA: 263. Addition to pay and other special concessions. Besides checking competency of sanction the reasons for the grant of addition to pay and other special concessions and allowances should be examined in audit and the propriety of sanction questioned where the principles laid down in the concerned service rules have not been observed.

PARA: 264-265 Record and review of sanction : Sanctions should be recorded in the prescribed audit registers. If it is known that sanction will entail recovery from a third party or such recovery is orded by the sanctioning authority, a note of recovery due should be kept in a register and watched.

Sanctions with a long period of currency and those of a permanent nature should be reviewed periodically and the administrative authority invited to review them where necessary.

PARA: 267 Authorities competent to sanction expenditure: Sanction to expenditure from the Consolidated Fund and the Contingency Fund, will be accorded by the following authorities or other Subordinate authorities who will exercise their powers to such extent and subject to such conditions as may be prescribed in the order of delegation.

Union Government : President of India.

State Government : Governor of the State.

Union territories with Legislature : Administrator of Union territory.

CHAPTER 16

Audit against provision of Funds

PARA: 269-271 Annual Financial Statement: Provision of funds is made in a statement of estimated annual receipts and expenditure (popularly known as the Budget) and presented to the Legislature, Charged and Voted expenditure are separately shown, the expenditure on revenue account being distinguished from other expenditure. Voted expenditure is submitted to the legislature in the form of "demands for grants". Ordinarily a separate demand is proposed for each department or ministry, and each demand contains first, a statement of the total amount required and then a statement of the detailed estimate divided into items. The legislature may assent to the demands or refuse to assent to any demand or it may assent to a demand subject to reduction of any amount specified therein.

PARA 272 Appropriation Act : After the grants have been made by the Legislature, a bill is introduced to provide for the appropriaton from the Consolidated Fund of the State of all moneys required to cover 'voted' and 'charged' items and the bill when passed becomes the Appropriation Act.

The amounts authorised by the Appropriation Act are intended to cover the entire expenditure of the year. Any unspent balance lapses at the end of the year.

Supplementary, Additional or excess grants. Votes on account etc.

PARA: 274-275. If the amount authorised is found to be insufficient or when a need arises during the current year for supplementary or additional expenditure owing to fluetuating nature of services or charges of policy or programmes that may occur during the year or under-estimating or insufficient allowance for factors leading to growth of expenditure or other unforseen causes, a supplementary statement of such expenditure is laid before the legislature for sanction.

PARA: 276 Excess grant : The need for excess grants arises when a department fails to take supplementary estimate for supplementary or additional expenditure before the close of the financial year. The only alternative is to obtain a grant for such excess in the following year after the excess is established.

PARA: 277-278 A vote on account : is the grant of funds in advance (as a temporary expedient) by the legislature for part of a financial year pending completion of the usual procedure.

PARA: 277-279 A vote of credit is the grant of funds madein general terms for meeting an unexpected demand when on account of the magnitude or indefinite chcarater of the service, the demand

cannot be stated with usual details. Though no details are given, the withdrawal for expenditure is subject to the normal rules of expenditure.

PARA 277 An exceptional grant is intended to cover expenditure on services of an important nature are not directly connected with the current service of any financial year.

These grants when sanctioned will be covered by separate Appropriation Acts in each case.

Appropriation Audit : Audit consists in seeing :

PARA 285. (i) That the money expended has been applied to the purpose or purposes for which the grants and appropriation were intended to provide, and that the amount of expenditure against each grant of appropriation does not exceed the amount of grant or appropriation.

PARA (ii) That the total expenditure on each sub-head of appropriation does not exceed the allotment thereunder. This involves a responsibility to the Executive Government i.e. Financial Department

PARA 289 Note : Audit may suggest revision of sub-heads of appropriation adopted by Government if it is such as to transfer appropriation audit and tends to obscure the presentation of the results of the year.

PARA 287 In the case of a single grant or appropriation covering both expenditure in India and in England, audit should watch expenditure not only against the Indian portion but also against the grant or appropriation as a whole.

(iii) Audit of orders of allotment of funds and re-appropriations is made to see :

PARA 290, 291 (1) that the authority making allotments does not allot amounts| in excess of those available under the grant or appropriation.

(2) that the amount appropriated is available under the unit from which it is allotted, and

(3) that the order is issued by competent authority.

(4) that the amount reappropriated is not for a new service or new instrument of service.

(iv) Audit also sees on behalf of the Executive Government:

(1) that a particular object of expenditure requiring a specific allotment is audited against such allotment, and (2) that in the case of a lump-sum governing a group of items, the total expenditure is audited against the lump-sum placed for the purpose.

PARA 293 Watch of progress of expenditure: The audit department watches the Progress of expenditure against the grant or appropriation as a whole, and allotments for sub heads and were necessary against subordinate units of appropriation, and issues warnings to disbursing officers, and if necessary to controlling authorities also when excesses appear to be likely. But actually the responsibility for watching the progress of expenditure against a grant rests with the executive which is ultimately responsible for keeping the expenditure within the grant. Audit renders all legitimate assistance to the executive in this matter and sees that suitable and adequate arrangements exist in all departments of Government for the control of expenditure.

CHAPTER 17

Audit Against Rules and Orders

PARA 295,296 *General* : One of the main functions of audit is to see that expenditure conforms to the relevant provisions of the Constitution and the laws made thereunder, and the financial rules, regulations and orders issued by competent authotity. These rules and orders regulate the powers of sanction to expenditure the mode of presentation of claims against Government, the withdrawal of moneys, the detailed procedure to be followed by Government servants in dealing with Government transactions and the pay allowances pensions and other conditions of service of Government servants.

PARA 297,298 *Scope and Object of Audit* : The work of audit in relation to regularity of expenditure is of a quasi-judicial character. It involves the interpretation of rules with reference to the case law of previous decisions and precedents. The Comptroller and Auditor General has not the final power of interpretation which rests only with the authority specified in the Constitution or the authority which is the author of the rule.

The object of audit is to see that all payments are made in accordance with rules, the claims are made in the proper form and in accordance with rules, that the rates prescribed preliminaries to expenditure are observed and that the rates paid for work done or supplies made are in accordance with any scale or schedule prescribed by competent authority and that rules relating to methods of payment have been observed by the disbursing officer.

PARA 299. *Scrutiny of the Rules* :

(a) In the scrutiny of Rules and Orders it is seen :-

(1) that they are not inconsistent with any provisions of the Constitution or of any laws made thereunder;

(2) that they are consistent with the essentail requirements of audit and accounts as determined by the Comptroller and Auditor General.

(3) that they do not conflict with the order of, or rules made by any higher authority; and

(4) that in case they have not been separately approved by com petent authority, the issuing authority possesses the necessary rule making power.

In applying the second check the principle to be observed is that discretion vested in authorities empowered to make rules is not to be fettered unnecessarily merely because difficulties may arise in the application of the necessarya udit checks or the maintenance of proper accounts If audit and accounts procedure can be amended without loss of effciency or extra expense, the rule should be accepted and that procedure amended accordingly. All doubtful points unless they are trivial are referred to the Comptroller and Auditor-General and no objection is raised with out reference to him.

If the Accountant-General has reason to think that undue advantage has been taken of the provisions of any orders under which the rule is issued, he may bring the case to the notice of the proper superior authority.

(b) All orders of delegation of financial authority have to be scrutinised carefully as once the orders are accepted, audit of sanctions as well as expenditure may be conducted against them for an indefinite length of time.

PARA 302-305 *Interpretation of Rules and Orders* :

(a) Interpretations must be based on the plain meaning of the rules and orders In no case must interpretation by audit ever verge on legislation.

(b) The audit officer may give his decision, if the application of the rule both in letter and in spirit is clear.

(c) If the wordings of a rule requires to be amended or improved, audit should suggest a revision of that rule.

(d) If any difficulty is felt in applying the rule, audit should ask for decision of the competent authority.

(e) The intention of a rule can be ascertained by referring to the concerned files of Government or from the records in the audit office in which this or similar rules have been discussed before.

(f) The order of a sanctioning authority must be interpreted in terms of the communication in which the application for sanction was made. The word "etc.," in a sanction means similar cases and not instances where there is a difference.

CHAPTER 18

Audit of Debt, Deposit and Remittance Transactions

PARA: 308 *DUTY OF AUDIT*

It is an important duty of audit to review and verify the balances under debt heads, and the outstandings under Remittance heads at the close of the year. It should be seen how far the final results of the detailed accounts work upto, and agree with the balances in the Ledger, whether the person or persons by whom the balance is owed or to whom it is due, admit its correctness, and how far the balances due to Government are really recoverable.

PARA : 309-310 *Borrowings Power :*

For borrowing power of the State see Arts. 292 and 293 of the Constitution of India. The State has full powers to borrow

upon the security of its Consolidated Fund within such limits as may from time to time be fixed by the Legislature of the State by law subject to the condition that the consent of the Government of India is obtained if any loan given by the Government of India is outstanding or if any guarantee for any loan has been given by the Government of India. The State may also obtain loans from the Government of India subject to conditions laid down by Parliament.

In regard to borrowings, audit should see that they are regulated with reference to the limits and conditions imposed that the proceeds of loans are expended on the prescribed objects and properly brought to account and that adequate amortisation arrangements have been made, for the eventual liquidation of loan taking into account the life of the assets created and the period of maturity of the loan. If a debt redemption scheme had been adopted. It should be seen that the appropriations for reductions or avoidence of debt are applied to objects for which the money has been set aside and that liquidation of debt proceeds on the lines prescribed.

PARA: 311-313 *Sinking Funds:* The Funds are instituted for redemption of loans by Government or other institutions. Audit has to satisfy itself that the credit to the funds are in accordance with the undertakings given when raising the loans and that payments are evantually utilised for the purpose for which the funds were created.

PARA: 312 *Contingent Liabilities* : In respect of guarantees given under Articles 292 and 293 of Constitution, the auditor has to see that the limits prescribed by the Legislature are not exceeded and that the accounts of the public body or institution whose loan or loans has or have been guaranteed are subjected to audit by qualified auditors acceptable to Government, and that their audit reports are submitted for general audit scrutiny. He may also conduct the audit himself of any sinking funds created by the public body or institution for the liquidation of the debt to verify its financial soundness etc.

PARA : 314 *Service and Provident Funds* : The transactions relating to these funds should confirm to the rules of the respective funds. Audit will sea that the subscsiption and any other dues are recovered regularly from the Government servrnts concerned. In the case of G.P.F., Audit will also examine the Government's share is properly calculated and credited to individual accounts.

PARA : 315 *Reserves and Reserve Funds* : These are funds created for specific and well defined purposes and are fed by contributions or grants from the revenues of the Union or State or State or outside agencies & included in the Deposit section of the accounts of Government. Audit is required to see (1) that the transactions are classified and accounted for according to the prescribed principles, (2) that the rules governing the administration of each Fund are properly observed.

The balance in each fund at the close of the year should also be verified.

PARA : 319 *Deposits* : Audit checks that the classfication of an item as deposit is correct, that repayments are supported by proper vouchers and covered by the original receipt in the particular account and that the balances are correctly accounted for and acknowledged as correct by the depositor wherever possible and that unclaimed and lapsed deposits are credited as revenues of Government.

PARA : 317 *Loans and Advances by Government* : Government makes loans and advances to the public and quasi-public bodies and to individual. In such cases, Audit may require that the reasons for making it, as well as conditions under which it is made are stated. Audit may also enquire the reason for any unusual condition, e.g. remission of interest in anyindividual case. Audit

reviews the outstanding balances of these loans and advances and will pay special attention to irregularities in repayment, in acknowledgement of blance. and doubtful debts.

PARA : 321-322 Suspense Accounts : Besides applying the general audit of the payments and receipts, audit sees that the unadjusted balances continue to represent bonafide assets or liabilities, and that satisfactory action is taken to clear them. The balances should be reviewed at short intervals.

PARA : 323 Audit of Remittances : Audit should see that the debits and credits are cleared by receipt or payment in cash or by adjustment or have been paired off by corresponding credits and debits within the same or in another account circle. The outstanding balances should be verified at the endof the year to determine their accuracy and action taken to effect their early clearance.

PARA : 320 The duties of Audit in respect of Debt, Deposit and Remittance transactions.

The general principles and rules of audit which govern audit of expenditure apply *mutatis, mutandis* to disbursements under Debt, Deposits and Remittance heads. In the case of repayment, audit is to check payment against original receipt and to satisfy itself that the repayment is made according to rules, regulations and orders which govern the transation.

Similarly in the case of payments subject to recovery, Audit has to ascertain that payment conforms to the autithority which governs it and has further to watch that moneys are regularly repaid by the debtor.

Another important aspect of Audit of such transaction is the review and verification of balances under Debt and Deposit heads and outstandings under Remittance heads at the end of the year. This review is twofold—firstly to deremine how far the detailed accounts total up to and agree which the Ledger figures and secondly to ensure that if person or persons by

whom the balance is owed admit its correctness. In the case of balance due to Government, it is further seen how far they are recoverable.

CHAPTER—19

Audit of Stores and Stock

The term stores includes not only expendable stores but also articles of dead stock like plant, machinery, fixtures etc. (Para 324).

PARA : 326 Function of Audit : The audit of payment for distore is the same as for audit of any other expenditure from the Consolidated Fund but such audit will not be complete without the audit of disposal of stores as irregularity in the disposal of public stores is equivalent to an illegal appropriation of public money.

PARA : 327 Quantity and Value account of stores: In the case of stores, the cost of which is charged to a final head of expenditure, the accounts are quantity accounts without values. In cases where the cost is subject to subsequent adjustment, both quantity and value accounts are maintained. The stores accounts are records of all articles brought into and out of stores and may thus be quantity accounts without values being indicated or such accounts with values also.

AUDIT OF STORES AND STOCK ACCOUNTS

PARA : 328 1. The audit of stores accounts kept in any office or department of Government is directed to ascertaining that the "departmental regulations governing purchase, receipts and issue, custody, condemnation, sale and stock-taking of stores

are well devised and properly carried into effect" and to bring to the notice of the Government important deficiencies in qualities of stores held, or any grave defects in the system of control.

2. As regards purchase of stores, Audit sees that--

(i) these are "properly sanctioned" are made economically and in accordance with rules or orders for purchase of stores; in particular when stores are purchase from contractors, the system of open "competitive tenders" is adopted and the purchase is made from the lowest tenderer unless there are recorded reasons to the contrary;

(ii) the 'rates paid' agree with those shown in the contract or agreement made for the supply of the stores;

(iii) certificates of 'quality and quantity' are furnished by the passing and receiving Government servants before payment is made except where the contrary is allowed by the rules of Government regulating purchase of stores; and

(iv) Purchase orders have not been 'split up so as to avoid the necessity for obtaining the sanction of higher authority' required with reference to the total amount of order.

Audit may can attention to cases of 'uneconomical purchases' of stores and to any losses which may be clearly and definitely attributed to the defective or inferior nature of stores which were accepted and certified to be satisfactory in quality.

3. Audit should ascertain that the accounts of receipts of stores whether purchased or otherwise obtained, and of their "issues and balances are correctly maintained." Where a "scale has been prescribed" by Government or other authority for issue of stores of any particular kind it should be seen that the scale is not exceeded.

4. Stores, in many cases, represent a locking up of capital which is not justinable unless essential. In order to effect economy in this direction "Audit will see that the balance in hand does not exceed the maximum limit prescribed by competent authority and it is not in excess of requirements for a reasonable period".

5. The accounting for and maintenance of "unserviceable stores which cannot be utlised by the department in whose custody they are kept involve" waste of labour and space. The retention of stores in excess of the probable requirements of the department in the near future may result in loss to Government through deterioration. Audit will therefore, see that measures are taken to survey, segregate and consider the disposal of unserviceable, surplus and obsolete stores in accordance with the procedure prescribed by Government in this behalf.

6. It is an important function of Audit to ascertain that the articles are "counted periodically and otherwise examined to verify the accuracy of the quantity balances in the books". It should be seen that a certificate of verification of stores is recorded periodically by a responsible authority, that the system of verification adopted by the Executive is adequate and proper, that discrepancies found on stock-taking are properly investigated and adjusted and that, whenever possible, the staff responsible for the verification is independent of the staff which is responsible for the physical custody of the stock or for keeping account of it.

7. Where a priced account is maintained Audit will see that –

(i) the stores are "priced with reasonable accuracy" and the rates initially fixed are reviewed from time to time and correlated with market rates and revised where necessary:

(ii) the "value accounts tally with the accounts of works and of departments" connected with stores transactions, that the total of the value account tallies with the outstanding amounts in the general accounts, and that the numerical balances of stock materials is reconcilable with the total of value balance in the accounts at the rates applicable to the various classes of stores ; and

(iii) steps are taken for the 'adjustment of profits or losses' due to revalution stock-talking, or other causes and these are not indicative of any serious disregard of rules.

CHAPTER 20

Results of Audits—Audit Reports

PARA: 329-330 Value of Audits : Audit cannot prevent the occurrence of an over-payment or other financial irregularity during the course of transactions. It depends for its effective value on its right and duty to report the results of audit to the proper authority so that apporopriate action may be taken to rectify the irregularity or impropriaty where possible or to prevent a recurrence of it. Audit keeps a contstant watch over the settlement of the objections raised by it, and furnishes controlling authorities and Government with reports on individual cases of serious irregularity, and on the progress and clearance of objections.

PARA : 331-332 Results of audit : After the completion of one year's accounts the results of audit are reported to the Governments concerned and their legislature through Audit reports along with the Comptroller and Audit General's certificate on the Finance accounts and the Appropriation Accounts

PARA : 333 Appropriation accounts : are accounts of the expenditure (both Voted and Charged) of the Government for each financial year compared with the amounts of Voted grants and charged appropriations.

PARA : 334 Finance accounts : This presents to the legislatures concerned the receipts and outgoings of each Government for each financial year. Part I of the accounts are summarised statements of transactions relating to the Consolidated Fund, Contingency Fund and Public Account, Capital outlay outside the revenue account, outstanding loans and advances cash balances etc. Part II contains detailed statements of accounts of revenue and expenditure by minor heads, details of investment of the Government etc.

PARA: 335 Audit reports : Contains comments on regularity and propriety of expenditure as a result of audit investigations it also draws attention to matters arising from Appropriation Account and Finance Accounts Commercial and trading activities of Government stores and stocks accounts, non observance of rule or standards of propriety, achievements of project, important cases of loss or negatory expenditure matters relating to Government companies and statutory corporations and any other matters of interest from the financial or accounting points of view which the Comptroller and Auditor General wants to bring to the notice of legislature.

PARA : 336. 337 Purpose of audit reports : The audit reports serves a dual purpose. To the Government concerned they show the extent to which is subordinates are complying with the rules and orders and to the legislatures concerned as to how far Govt. have complied with its expressed views in matters of importance and how far the monies placed at their disposal have been regularly and wisely spent. lapses if any on the part of revenue collecting officers in complying with the loss of revenue collection also are brought to notice.

PARA : 338 Submission of report to Government and action thereon : The Finance Accounts and the Appropriation Accounts signed by the Comptroller and Auditor General and the Audit Report countersigned by him are forwarded to the respective Governments for submission to the President/Governor/ Administrator of Union territory who will cause them to be laid before the concerned legislature. The accounts and reports will be examined on behalf of the legislature by the Public Accounts Committee of that legislature.

The Public Accounts Committee is not an executive body and has no power to disallow any item or issue an order. It can only call attention to an irregularity or to a failure to deal with it adequately and express its opinion thereon and record its findings and recommendations to the legislature or to the Executive Government.

The Finance department or the concerned department of Government takes action on the recommendation and reports action taken to the Public Accounts Committee and to the Audit officer responsible for the Initial preparation of the Reports who watches action taken on the report.

CHAPTER 21

Relations between the Audit and Finance Department

PARA 346. The audit officer should work in close co-operation with the Government in order to enforce propriety and to secure regularity in the public expenditure. He is entitled to seek the support of the Finance Department. The audit officer acts as the critic of the Government but his objective is same as that of safeguarding of economy, efficiency and propriety in public Finance.

PARA 348-352 The co-operation between Audit & Finance Dept is secured as under ;

1. The Finance department which frames financial rules consults the audit officer if the rules satisfy. Audit and account requirements.

2. The Finance department gets the assistance of the audit office in watching the Progress of receipts and expenditure and in preparing the budget estimates.

3. In regard to new expenditure the Finance department and the audit officer have anologous functions; the former advises before action is taken, and the latter scrutinises the action taken either on receipt of the sanction or when the expenditure appears in the accounts.

4. The Finance department examines proposals for delegation of power for the efficient conduct of public business, and the audit officer has to satisfy himself that they are not likely to impair seriously the efficacy of the conduct of public business. Differences of opinion will be referred to the Comptroller and Auditor General.

CHAPTER – 24

Gazetted Government Servants Remuneration And Estabishments

Pay Bill : A pay bill is the descriptive name given to a bill drawn for pay and fixed allowances or leave salary of gazetted and non-gazetted Government servants.

PARA 395. Audit of Pay Bills : The essential points are :

(a) to check the title of Government servant to the remuneration drawn by or for him, and,

(b) in the case of Government servants whose remuneration is drawn for them to verify that they receive the remuneration to which they are entitled.

PARA 398. Audit of bills of gazetted officers : For each gazetted officer one page of the Audit Register is alloted, where in the rates of pay admissible to him from time, to time, and the amounts drawn by him are recorded beside any other relevant factors bearing on his pay and allowances. This is called nominal audit, and the most important part of the record of each entry in the cages for emoluments permissible. All relevant Government orders or sanctions are noted briefly in the Audit Register.

Pay slips : are issued by A. G. intimating the rate at which pay and allowances may be drawn. Whenever there is change in the kind or amount of emoluments, a fresh 'Pay-slip' is sent by the Accountant General to the officer concerned and to the officer in charge of the treasury at which he draws his pay.

PARA 399-402. Perpetual Pay slip : in the case of time scales, the pay slips issued to permanent men are called perpetual pay

slips which indicate the rates of annual increment and the date of annual increment till the stage at which an efficiency bar, if any, operates in which case the increment above the bar is not included, as only on receipt of declaration of permission to cross the bar it can be authorised. These pay slips operate so long as the Government sernvant is on duty in the same designated post and becomes invalid during absence from such posts.

PARA 401. Issue of fresh pay slips: A fresh pay slip is issued to an office r

(1) Whenever an increment is stopped.

(2) Whenever an officer is allowed to cross the efficiency bar.

(3) Whenever there is a change in emoluments due to change of scales of pay on appointment to other posts etc.

(4) Whenever he proceeds on leave of any kind to a post other than that from which he went on leave.

(5) When he returns from leave of any kind to a post other than that from which he went on leave.

(6) Whenever he is appointed to a temporary post or returns therefrom.

(7) Whenever he is transferred from one post to another involving change of designation even if there is no change in emoluments.

PAR A 403. Scale Register: The sanction strength of a cadre is noted in this register, and every month the number of men

on duty (excluding joining time) is noted with refference to pay bills to see that number is within the sanctioned scale.

PARA 404-405. Leave account and History of Service: For each gazetted Government servant the audit office maintains a leave account and a History of Services. The latter record the headquarters station, substantive appoinments, officiating appointments, involving change of duties, dates of alterations of appointments, grant of leave of all kinds, and absence without leave or in excess of leave or joining time. Fund account numberand the fact of receipt of nomination for family pension and D.C.R. gratuity are also recorded in the same. Pension calculations are based on this record.

In the audit of Pay bills of gazetted officers, it should be particularly seen that the payee is legally entitled to the pay clamied that every first payment is supported by the L.P.C. or L.S.C. or Health certificate where necessary, and that necessary deductions of Income tax, and other recoveries etc. are made.

PARA 409. Establishment Pay Bills: The bill contains full details of pay allowances, recoveries, deductions etc. The drawing officer has to certify among other things that the pay previously drawn has been disbursed and receipts taken. An absentee statement should be enclosed whenever a Government servant is absent on leave or other duty etc. This statement shows the name and designation of each absentee, his pay, the other duty on which he is employed or his leave salary etc, together with the relevant particulars of the officiating Government servant. An increment certificate is also appended to the first bill in which a periodical increment is drawn.

PARA 410-414. Audit of establishment pay bills: An audit register in maintained in the audit office and the audit done is called 'sectional audit'. The orders of the sanctioning

authority name of sanction the sanctioned pay of the section and the monthly amounts drawn for that sanction are noted in the audit register. For purpose of audit the establishment falls under two groups :

(1) those relating to last grades and such class III Government servants whose names do not appear in pay bills and

(2) others class III Government servants whose names appear in pay bills. In respect of the latter, the pay sanctioned for each post and that due to the incumbent thereof are entered in a flyleaf inserted between pages of the audit register.

PARA: 413 *Audit by numbers* : In respect of each bill, the number of men drawing substantive pay (S), the number on leave (L), and the number drawing officiating pay (O) is noted every month in the audit register. The audit consists in seeing that (S+L), and (S+O) are each within the sanctioned scale.

PARA : 411 &414 *Nominal audit of establishment pay bills* : In respect of class III Government servants whose names are shown in pay bills and the details of pay admissible to each is entered in the flyleaf of the audit register, the pay drawn on establishment bills is checked periodically by comparing the rates of pay of each Individual drawn in the bill with that recorded in the flyleaf. Any increment is checked as also leave salary and officiating pay noted in the absentee statement.

PARA: 415 *Revision of time scales of pay;* When there is a general revision of pay, the administrative department is responsible to fix the initial pay and the date of increment of all non-gazetted Government servants in the new scales and a test check will be

conducted by the Accountant General either in central or local audit.

In respect of revision of pay in isolated cases, the initial rates of pay and dates of increment should be scrutinised by the audit office.

PARA 416 *Auditor's duties* : The chief points in the audit of establishment pay bills are :

(1) That the bill is drawn according to the sanction or scale, and the arithmetical calculations are correct.

(2) that the names of persons on leave, suspension or deputation as well as the names of the officiating persons are shown in the bill and absentee statement.

(3) the enhanced pay for officiating incumbents, and the increments claimed are correct.

(4) that a last pay certificate is furnished where necessary, and,

(5) that the dates of making over and receiving charge are stated, and joining time allowed is correct,

PARA : 417 *Service Rules* : A audit of pay, leave salary and other allowances admissible to the various classes of Government servants is conducted mainly with reference to the 'Service Rules' made by Government. The pay admissible and other conditions are regulated by the Fundamental Rules.

PARA 420 *Lien* : On substantive appointment to a permanent post a Government servant acquires a right to hold that post substantively. In respect of every permanent post there is one Government servant who has a lien or a prior right over every

other Government servant. If he is on other duty and that comes to an end, he has a right to return to the post on which he holds a lien displacing his successor holding the suspended lien.

Pay admissible to Government servant is regulated under F. Rs.

PARA : 428 *Compensatory Allowance* : This is an allowance granted to meet personal expenditure necesitated by the special circumstances in which duty is performed e.g. conveyance allowance, F.T.A, House Rent Allowance etc.

PARA 429-430 *Fees and Honoraria* : Without detriment to his official duties, a Government servant may be permitted to perform a specified service for a local body or private person, and to recurring or non-recurring fee.

A Government servant may be granted an honorarium from the revenues of Government for work performed which is occasional in character.

PARA 442 *Leave*: Rules regulating leave are issued by Government and these prescribe the rates of leave salary admissible. For each Government servant a leave account in the prscribed form is kept. The amount of leave due to a Government servant is the balance at his credit in the leave account subject to limits that can be taken at a time. Different kinds of leave are sanctioned with reference to the rules applicable e.g., Earned leave on full pay Half pay leave, commuted leave extra ordinary leave etc.

Leave not due and extranrdinary leave : Leave not due is an *advance* of leave, granted under F.R. leave rules only and its grant should be limited to the amount of leave which can be or

is expected to be earned subsequent duty. Leave salary is equal to half average pay. When no other leave is admissible, or when other leave being admissible, a Government servant applies for it he may granted extraordinary leave. No leave salary is admissible.

PARA : 444-445 *Allocation of leave salary* : Under F.R. leave rules, leave salaries of Government servants who have served under more than one Government are distributed among the Governments concerned to the extent of leave earned undereach in the manner prescribed in Accounts Code I. In respect of those subject to 1933 Revised leave rules contribution for leave salary is recovered from the borrowing Goveruments.

Question What are the checks prescribed for the audit of the pay bills of non gazetted Government servants?

Ans. Besides the general checks laid down in connection with the audit of the expenditure, the test of the formal accuracy and completeness of the voucher and the observance of important rules prescribed in the Treasury and Financial Rules of Government, the essential requirements of audit of pay bills of non-gazetted Government servants are :

(1) that the *arithmetical calculations* of the bills selected for this check are correct :

(2) that the *absentee statement*, where required is duly filled in or no-leave reserve certificate furnished :

(3) that the *enhanced pay* of, officiating Government servants is in accordance with the rules :

(4) that a Last *Pay Certiifcate* is furnished for a Government servant transterred from another establishment;

(5) that the amount of *leave salary drawn is* supported by a statement showing the calculation how the

amount is derived or a reference to the bill with which such statement was attached is given. Where leave salary is, however, required to be supported by a certificate about the correctness of the rate claimed in lieu of average pay statement it should be seen that such a statement is enclosed.

(6) that the dates *of making over and receiving charge* are stated and joining time is in accordance with the relevant rules :

(7) that in cases of Government servants appointed for the first time, a *Health Certificate is furnished* except where such health certificates are not required to be furnished under the rules of the Government ;

(8) that the increment drawn is supported by an *increment certificate* and if the increment carries a Government servant over an *efficiency bar, the declaration* fitness to of cross the bar is furnished ;

(9) that relevant note of the bill is made in the *Audit Register* where necessary :

(10) that the number of persons for whom pay or leave-salary has been drawn does *not exceed the sanctioned strength*.

CHAPTER 25

Travelling Allowance

General : The travelling allowance of persons holding high offices and of those whose services are regulated by the Constitution or Act of legislature are governed by rules prescribed in the respective Acts. Travelling allowance of State Government servants are regulated by rules framed by the Governor. It is granted for journey on tour and on transfer, and includes,

road mileage daily allowances, railway fare and steamer or air fares. Government servants are classified into grades for the purpose, Other forms of allowances are fixed Travelling Allowance, Conveyance allowance etc. The claim should be made in the prescribed froms of bills for gazetted and non-gazetted officers and payment obtained at the treasury after the counter signature of Controiling officer where necessary

PARA: 461 *Record of Audit* : T. A. drawn by Gazetted Officers is recorded in an audit register in the audit office. No, such record is kept for non-gazetted officers.

PARA : 462 *Audit* T.A. Bills are audited to see :

(a) that the journey was actually performed, and as expediously as possible.

(b) that it was necessary and authorised by general or special orders, and

(c) that no bill has been submitted for it before, and that the amount drawn is correct with reference to rate and general conditions.

PARA: 463 *Scrutiny of Bill* ; The scrutiny of a T.A. claim is divided between audit and the controlling officers who countersign the bills. Audit carries out an occasional test check to examine the manner in which controlling officers carry out their responsibility. This check is done partly in the audit office and partly during local inspections of audit, all the bills passed during a period of, say, six months being brought together and carefully scrutinised.

CHAPTER 26

Pensions

PARA : 465, 469. Categories of Pension:

(1) Superannuation pension i.e. pensions granted to an officer entitled or required by rule to retire at a particular age.

(2) Retiring pension, granted to an officer on retirement after completing a qualifying service of 30 years or less as prescribed.

(3) Invalid pension awarded to an officer who by bodily or mental infirmity is permanently incapacitated for public service, or for the particular branch of it to which he belongs.

(4) Compensation pension given to an officer selected for discharge owing to the abolition of a permanent post.

Government Servants who have held certain special posts are granted special additional pensions at specified rates. (Para 406). Under the new Liberalised Pension Rules of 1960, a Death cum-retirement gratuity, and a Family pension are granted in certain circumstances and additional pensions are not admissible.

The family pension schemes of 1964 require employees to surrender a part of D.C R. gratuity in lieu of liberalised family pensions.

The essential conditions under which service qualifies for pension are generally that the service must be under and paid by Government and the Government servant must hold substantively a permanent post.

PARA : 470 Verification of Service : (a) Formal Application : Every officer is ordinarily required to submit a formal application for pension to the authority concerned one year inadvance of the date of his actual or anticipated retirement.

(b) In the case of a non-gazetted officer, on receipt of the formal application or as soon as it becomes known that the officer will retire within one year, the authority concerned prepares statement of officer's service in the prescribed form and sends it with the service book to the Audit officer for check with reference to the entries in the service book.

(c) In the case of gazetted officer, the pension papers are completed on receipt of formal application and forwarded with it a statement of services and other documents to the Audit officer through the authority empowered to sanction the pension. Where part of the service is non-gazetted, such portion of service is verified as in (b) above.

PARA : 471 Anticipatory Pension : When delay in the settlement of a pension is expected, the A. G. may sanction an anticipatory pension equal to the amount which, after the most careful summary investigation. he believes the Government servant likely to be entitled. This pension is adjusted fully when the final pension is sanctioned and disbursed.

PARA: 472, 474 Sanction to and Disbursements of pensions : The authority competent to sanction the pension generally records on the pension applications whether the service is approved for the grant of full pension admissible or any reduction should be made where service was not thoroughly satisfactory. The audit after checking the service and Pension admissible sisues the pension payment order not more than a fortnight before the date when the officer is due to retire.

The production of *last pay certificate* is necessary before releasing the pension and gratuity amounts. In cases where it is delayed on account of outstanding dues from the Government servant, last pay certificate may be issued either on the retiring Government servant furnishing a suitable security or cash deposit or after with holding a portion of D. C. R gratuity, where the sanctioning authority has recorded on the pension application to this effect last pay certificate need not be insisted before issue of pension payment order.

If any event occuring before retirement necessitates a change in the amount of pension or where it is necessary to revise the amount to pension for bonafide reasons a revised pension payment order is issued.

PARA 477. Method of Pension payment and Idenification of Pensioner : Pension payable in India except of Post & Telegraph department personnel paid at post offices, are generally disbursed at treasuries. Every payment made by the T.O. is recorded on both portions of the Pension Payment Order. At the time of payment the pensioner's receipt is taken. The payee's signature (or thumb impression) and the identification marks are checked with those recorded on the Disburser's portion of the P. P. O.

Pensioners who are premitted to draw their pensions without personal application have to furnish life certificates and to attend at prescribed intervals for identification Pensioners are also permitted to draw pensions through their bankers furnishing a life certificate at prescribed intervals. The identification of the person drawing the pension with the Person to whom the pension is granted is an important check to be done by the disbursing officer.

PARA 478 Audit of Pension Payments : The pension payment orders are recorded in the audit office in a Register of Pension payment order. An Audit Register of Pensions is also maintained for auditing the payments which are recorded in the relevant monthly cages, against each entry of P P O. All cases of transfers, death, and other relevant particulars are briefly noted in the audit register and attested.

The audit of pension payments besides testing the formal accuracy of vouchers, is directed to see :

(1) that every payments is duly authorised and covered by a P.P.O. and the amount claimed is correct,

(2) that the prescribed non-employment certificate, life certificate, non-marriage certificate etc are furnished where necessary.

(3) that periodical identification has been duly carried out, and necessary cancellations of entry have been made in the case of death, etc, and

(4) that arrears of penison claimed are covered by requisite sanction of the competent authority.

PARA: 467 Allocaton of Pension: Charges on account of pensions of Government servants who have served under more then one Government, are distributed among the Governments concerned in accordance with the rules of Incidence accepted by tham. The broad principle underlying these rules is that total amount of pension is divided among the different Governments in proportion to the length of service rendered under each.

CHAPTER 27

Contingent Expenditure

General : This comprises all incidental and other expenses incurred for the management of an office as an officer for the technical working of a department, other than those which under the prescribed rules of classification, fall under some other head of expenditure, e.g. Works, Tools and Plants etc.

PARA 488 Classification : The classes of contingencies are :

(a) Contract Contingencies; Met from a lump sum grant placed at the disposal of disbursing officer for the expenditure on certain specified objects, the annual incidence of which can be averaged with resonable accuracy.

(b) Scale Regulated Contingencies : Charges are incurred according to the scale laid down by competent authority.

(c) Special Contingencies : Whether recurring or not, which have to be incurred after obtaining the special sanctions of a superior authority.

(d) Countersigned Contingencies : The superior authority gives his approval by countersigning the bill either before or after payment (N.B. Countersignature after payment is not in vouge in Tamil Nadu).

(e) Fully vouched Contingencies : Charges incurred by the disbursing officer on his own authority, and requiring no special sanction or countersignature.

PARA 486 Permanent Advance: This is a fixed sum of money sanctioned by the competent authority and given to a drawing officer to meet immediate needs before they can place themselves in funds by drawing bills. It is replenished by presenting Contingent bills for expenditure incurred out of it. The holder is responsible for the custody of the advance and he mustat all times be ready to account for the amount of the advance (in voucher or cash).

PARA 487 *Responsibility of the Drawing Officer* : He should spend the money carefully and prepare proper voucher in support of expenditure. Money should de drawn only when it is required for immediate disbursement. The total expenditure should be kept within the budget allotment and action taken to obtain additional allotment where necessary. In the case of contract contingencies the total expenditure should not exceed the contract grant.

Duties of the Controlling Authority : He should see that the charges are necessary. are covered by requisite sanction and are at fair and resonable rates. He should also see that the vouchers are in order, calculations are correct, and the total expenditure is not likely to exceed the budget allotment. If the expenditure is progressing too rapidly, it should be properly checked.

PARA 489 *Responsibiliy of Audit* : The responsibility of audit for checking contingent expenditure is least of all, in the case of contract contingencies. Controlling officers exercise major portion of control on Countersigned contingencies and to this extent lessen audit responsibility. Responsibility is the greatest in the case of fully vouched contingencies. In the case of scale

regulated charges. the expenditure should be checked with the prescribed scale and the sanction of the superior authority watched in regard to special charges.

PARA 490 *DUTY OF AUDIT*

(1) that the expenditure is covered by the sanction and appropriation, and is incurred by the competent authority.

(2) That the vouchers are furnised, that the rates are fair, the bill is in proper form and 'supported by necessary certificates, and the classification is correct.

(3) that the flow of expenditure is not too rapaid, and that if the expenditure in March is unusually large it does not lead to irregularities

The special points to be noted in audit are :

(a) *Contract Contingencies* : Neither details nor sub-vouchers are furnished. The regularisation of any excess over the contract grant should be watched.

(b) *Scale-Regulated Contingencies* : These are cost of liveries, batta to witnesses, rewards and the like. The receipt of necessary certificates should be watched in audit.

(c) *Special Contingencies* : The charges are audited and recorded against the sanction of the proper authority.

(d) *Countersigned Contingencies* : In the case of bills countersigned after payment the amount is drawn on abstrat bills presented at the treasury. The payments are held under objection until detailed countersigned bills covering the entire charges are received in audit (with necessary sub-vouchers). For bills countersigned before payment (as in Tamil Nadu), there will be no abstract bill, and payment is made on detailed bills.

PARA 497 *Fully Vouched Contingencies* : Payment of such charges is made on detailed bills and audit is conducted as in the case of bills countersigned before payment.

PARA 498 *Relative Responsibilities of Controlling and Audit Authorities* : The controlling officer has more onerous duties than those of the audit officer. He has to see that the expenditure which is necessary, is not unusual, and that the rates paid while being reasonable are not apparently extravagant. The most important duty of the audit officer is to determine as far as possible, whether the controlling officer is doing his work adequately.

CHAPTER—28

Grants-in-Aid

PARA 500 *Grants-in-Aid* : is a final payment of the nature of donation or subscription made to a grantee which may be a body, institution, concern or individual. State Governments also get grants form the Government of India.

PARA 503-506 *Audit* ; Audit is applied (i) to (the sanction for) the grant itself and (ii) subsequently to the expendiure incurred from it by the grantee. The audit of expenditure incurred from a grant-in-aid by the grantee depends on the category to which the grant belongs out of the following two.

Category : (1) If no conditions are attached to a grant audit is in no way concerned with the manner in which the grant is utilised.

Category : (2) Where conditions are attached to a grant, audit has to see that the money has been spent on the particular object specified or with in the time specified in the sanction, and that other conditions if any are fulfilled. Any unspent portion of the grant is originally required to be refunded.

When recurring grants in aid are made to an institution, audit will as far as possible verify that the grantee continues to function as such institution, and that circumstances in which the grant was originally sanctioned still continue to exsit. Para 503 to 606.

PARA 507 Whatever the nature of the conditions, Audit has to see as far as possible that they are fulfilled and depends on

(1) Audit cerificate regarding utilisation of thegrant for the purpose from the Grantees' auditor.

(2) Utilisation certificate furnished by the sanctioning authority.

In respect of grants to non-Government or quasi-Government bodies or institutions; the Central Government have decided that where assets are to be acquired substantially out of the Government grant it should be laid down that such assets should not, without the prior sanction of Government be disposed of or utilised for other purposes. Audit has to watch compliance with such rules.

PARA 508 Again Audit watches that :

(1) There is no tendency on the part of the Governmen to go on disburing fresh grants, when the previous amounts remain unutilised by the grantee.

(2) That the executive authority has adequate machinery to keep a continual watch over the progress of expenditure from the grant, the solvency of the grantee and the safety of the funds entruste and that there has been no wasteful expenditure

CHAPTER – 29

Allocation of Expenditure Between Capital and Revenue.

PARA 512-513 *General* : Expenditure on any large scheme or project of a Commercial nature is allocated between the 'Capi-

tal' and 'Revenue' sections according to certain well known principles. All initial expenditure on the fromation of a scheme prior to his being opened for (reular working as well as all additional expenditure on extensions of the acquiring of fresh assets, is reckoned as 'Capital'. Revenue expenditure includes expenditure on replacements, repairs, renewals, and depreciation of fixed assets, and also the current expenses of carrying on the business, such as pay, allowances etc. of esta-blisement employed on earning revenue and other incidental expenses, such as rents, rates, carriage, insurance etc. It is difficult to lay down hard and fact rules on the subject of allocation.

In the case of projects for irrigation, Navigation, Embankment and Drainage works, the following rules of allocation are generally applied :

(a) Capital : All charges on first construction and equipment charges on maintenance of sections not opened for working and charges on subsequent additions and improvement, also charge on restoration of damages caused by extraordinary casualities — flood, fire etc.

(b) Revenue : All expenditure on maintenance and working expenses (working and upkeep of the project) ; charges for such renewals, replacements, additions as may be deemed desirable to classify under revenue.

(c) In the case of a replacement representing a genuine increase of over Rs. 1,000 or such other limit as may be fixed by Government in consultation with audit, the cost of the new work is divided between capital and revenue, the portion debited to the latter account being the cost of the original work, the balance being debited to capital.

(d) When the construction estimate of a project (for which a sparate capital account is (kept) is closed, all remunerative works on extension or other works necessary for the full

development of the project are debited to 'capital' where the total expenditure exceeds Rs. 1,000. All other expenditure is debited to the *Revenue* Account.

(e) Until a new Project becomes revenue-earning charge on account of interst on money borrowed to finance its construction may be debited to capital at the discreation of Government.

Capital expenditure may be met from borrowed funds of current revenues as Government may decide in each case. Revenue expenditure is generally met from current revenues. This is purely a question of finance, the decision of which rests on the executive cum-legisature. It may generally be held that the cost of all comparatively small schemes whether productive or unproductive ought to be met from revenues. The tendency to secure relief from present taxation, by the expediency of transferring expenditure doubtfully classifiable, as capital from the revenue section should be discouraged. Audit will legitimately use its influence in this matter when the decision of the financial authorities seems contrary to the principles of sound financial administration.

PARA: 519. Classification of Capital works :

(1) Productive works which earn adequate revenue, and

(2) Unproductive works, which are not expected to be remunerative or to earn adequate revenue on the capital invested. The classification as productive or non-productive depends however on the results of three consecutive years and on this basis, a productive work may become a non-productive work or *vice-versa*.

PARA : 520. Duty of Audit:

(i) It should see that the commonly accepted accounting or commercial principles are not infringed.

(ii) It should verify that the accounts represent the true financial facts, and

(iii) It should bring to notice transgression of generally accepted principles of public finance. (Para 520)

CHAPTER 30

Works Accounts

PARA 522 Fundamental Rule : Ordinarily no work shall be commenced or liability incurred thereon, until a properly detailed design and estimate have been sanctioned.

Main stages : The four main stages in the project for work are :

(i) Admintstrative approval : or the concurrence of the administrative department in the proposal for the execution of certain specified work at a cost approximately stated.

(ii) *Expenditure sanction* : Sanction of the competent authority to incur the expenditure.

(iii) *Technical sanction* : Save in the case of petty work or repairs, covered by a lump sum provision, a properly detailed estimate is prepared for each work to be sanctioned by the competent authority in the P.W D

(iv) *Allotment and Reappropriation* : i.e. provision of a particular sum of money to meet expenditure (every year) on specified object.

PARA: 525 *Supplementary and Revised estimates* : Any development of a project thought necessary, while a work is progress which is not fairly contingent on the proper execution of the work as at first sanctioned must be covered by a supplementry estimate accompained by a full report of the circumstance which has

rendered it necessary. A Revised estimate must be submitted when the sanctioned estimate is likely to be exceeded by more than 5%.

Completion Report and Statement

When excesses occur at such an advanced stage of the work as to render the preparation of a revised estimate purposeless, the excess, if beyond the powers of the Divisional Officer, should be explained in the completion report or statement for the work.

(i) A consolidated completion statement is prepared monthly of completed works, the actual expenditure on which exceeds the sanctioned estimate by an amount greater than that which a Divisional Officer is empowered to pass

(ii) A detailed completion Report for each work the outlay on which has been recorded by sub-heads, should be prepared when the total estimates has been exceeded by more than 5 per cent and an amount greater than that which the Divisional Officer is empowered to pass.

Reasons for the excess should be given in both cases and the completion report should give a comparison and explanation of differences between the quantity, rate, and cost of the work executed and those in the estimate. The object is to enable the superior authority to scrutinise the excess and to sanction it where it is reasonable.

PARA: 528 *Importance of accurate Measurement*: Prompt measurement is essential before payment is made for work done on

contract or of piece work. The efficiency of audit rests on the accuracy of the recorded measurements. Audit cannot check the initial measurements and the check measurement is carried out entirely by the executive i.e. the S.D.O,E.E. or S.E, who inspects the work.

PARA: 530-532 *Contracts* : The terms of a contract must be precise and definite. Standard forms should be adopted and legal and financial advice should be taken in drafting them. The terms of a contract once executed should not be varied materially without obtaining the requisite sanction. No uncertain or indefinite liability or condition of unusual character should be included. Wherever practicable and advantageous, contracts should be placed only after tenders have been openly invited. In cases where the lowest tender is not accepted, reasons should be recorded. Provision should be made in contracts for the safeguarding of Government property entrusted to a contractor.

When a contract is likely to endure for a period of more than 5 years, it should, if feasible, include a provision for unconditional revocation or cancellation by Government on six months notice.

Any relaxations in terms of contracts should not be against the interests of public exchequer. Contracts on cost plus profit basis should be avoided unless inevitable. Safeguard to protect the interest of Government should be included in lumpsum contracts. Contracts for perishable stores should provide for replacement of rejections.

Audit has power to examine contracts and to report cases where competitive tender have not been invited: where high tenders have been accepted and where other irregularities in procedure have come to light.

PARA: 533 *Audit of works expenditure* is carried out by:

(a) the Divisional Accountant who applies preliminary audit, i.e. as representative of the audit department charged with the responsibility of applying certain preliminery checks of the initial accounts, vouchers etc.

(b) audit in the audit office, and

(c) test audit at the periodical inspection of the divisional office by the audit department.

The Divisional Accountant as a primary auditor applies a detailed audit to all accounts and vouchers, check muster rolls and petty vouchers not submitted to audit, checks computed tenders and reviews expenditure on all works against the sanctioned estimate. He compiles the monthly divisional account from the data furnished to him, and functions as the financial assistant to the D O. He carries out a periodical inspection of the account records of sub-divisional offices.

Audit Purpose is to see:

(i) the sufficiency of the authority for incurring expenditure—checking expenditure against technical sanction, and seeing that all special charges have been sanctioned by the competent authority. The progressive expenditure on each work against the sanctioned estimate is watched through the Audit Register.

(ii) The accuracy of the classification of the charges against the work, persons, services and heads of accounts concerned, i.e. that the expenditure is correctly classified, and falls within the scope of the sanctioned estimate, and that any charge debitable to a contractor or otherwise recoverable from him is recorded as such in the prescribed account. Extracts from the contractor's ledger or the personal account of the contractor are also audited.

(iii) The proof of payment to the correct individual, i.e. that there is proper voucher for every payment.

(iv) The observance of the standards of financial propriety

(v) The execution of the schemes economically and the achievement of the anticipated targets.

In addition, a percentage of the arithmetical calculations of the vouchers is checked, and each voucher or running account is also compared with the previous running account bill.

PARA: 549 *Works receitps* :

(a) The ordinary principles relating to the audit of receipts are applied.

(b) In the case of rents of residential building and other services (important receipts in P.W.D.), it is the duty of audit to see that the standard rents have been correctly fixed in accordance with the relevant rules' that the rent recoverable from each tenant is correctly calculated, and thata mounts due are realised.

PARA: 552 *Large Construction projects* : The exact form of the accounts to be maintained must be decided on the basis of the requirements of the project and the initial account must follow the form of the project estimate. Audit must also follow the same line to ensure that financial control is being exercised through a comparsion of the expenditure with relevant figures in the project estimate. Audit should on the completion of the project, and the closing of the accounts, satisfy itself as to the correct allocation of the capital at charge among the separate working units.

CHAPTER 31

Stores and Stock Accounts

Stores comprise 'priced' and 'unpriced' articles purchased with public money. Unpriced articles such as furniture, statio-

nery office equipment etc. are purchased and stored as occasion demands. A numercial account is kept. 'Priced' articles are generally required for the activities of a department and their cost is debited to a 'suspense head' which in turn is relieved as articles are consumed. Both numerical and priced accounts are kept in such cases.

To serve as a model system of accounts, the accounts of P.W. Stores may be studied.

PARA: 565, 566 *P.W. Stores* : The classes are stock, tools and plant and road-metal; and the Divisional officer is responsible for their acquisition, custody, distribution and disposal. Accounts are based on the fundamental principle that the cost of stores is debited direct to the financial head of account concerned or the particular work for which they are required; and if either of these cannot be determined at once, it should be kept in a suspense account pending clearance as the materials are actually issued by debit to specific heads of account or works.

PARA: 575 *Accounts of Stock* : Accounts to be maintained follow the procedure which may vary from State to State with reference to the conaitons obtaining, one of three methods is given below :

The monthly transactions of receipts and issues, are abstracted, from the Register of stock Receipts—Issue, indicating briefly the sources of receipt and the account head or work to be debited. The abstracts are after check posted in the Divisional Office in the Half-yearly Balance Return. The Registers and Returns of the sub-divisional office show quantities only and the value accounts are kept in the Divisional Office where the transactions as shown in the abstracts are valued with reference to vouchers and other relevant records and necessary adjustments made by debit or credit to stock.

The Half yearly Register of Stock consists of three parts: In part I are posted the quantities of each item and the aggregate values of the total receipts and issues for each subhead. The closing balances of the aggregate values of sub-heads are struck at the end of each half year. Their reconciliation with the accounts is effected through Part II of the Register. Part III of the register is used for the review by the Divisional Accountant of the state of affairs of the stock account and for the orders of the Divisional Officer.

PARA : 575 *Pricing of Article* : All articles of stock are priced at the time of 'their acquisition' and the issue rate is fixed on the principle that there is on ultimate profit or loss in the stock account. It should provide beyond the original price paid, for any carriage and other incindental charges actually incurred on the acquisition of stores. The issue rate is reviewed at the time of closing the Half-Yearly Stock Register and correlated with the market rate, and this necessitates the adjustment of the difference in the value of stock worked out at the existing issue rate and the issue rate fixed for the future.

PARA : 576 *Stock Verification* : To ensure that the existing balances as stock is efficient, and sufficient, and the quantity balances as shown in the accounts are correct a periodical physical verification of stock is carried out and all discrepancies are reconciled necessary adjustments being made under the orders of the competent authority.

Account of tools and plant and road metal :

(a) For tools and plant, only numerical accounts are kept. The S.D.O. maintains two accounts for recording the issues and receipts respectively, and the transactions are consolidated monthly in a yearly Register of Tools and Plant. The Divisional Officer maintains a Register for each sub-division which is posted from the monthly sub-divisional returns. Annually

reconcilation is effected of the closing balances in respect of each kind of article with the sub-divisional return and the balances as physically verified under the orders of the proper authority.

(b) For Road-metal, the S.D.O. keeps quantity accounts of receipts, issues and balances and submits a copy of the accounts monthly to the Divisional Officer.

PARA: 578 *Audit* : Monthly accounts of stores transactions are received in the audit office for check. The Registers of Stock and Tools and plant are checked either in the central audit office or during the local audit inspections as prescribed by Government. The accounts of road metal are test checked during inspections. The detailed checks in all cases are done by the Divisional Accuntant

Purchase Organisation of the Government of India : The Organisation of the Director General, Industry and Supply working under the Government, arranges for the purchases on behalf of all States. There is a similar organisation under the Director General, India Store Department, London and Indian Supply Mission at Washington for overseas purchases. Indents received from the States are collected and order for the supply of stores are placed either by a separate order or by combining the demand orders for compliance under 'running' or 'rate' contract. Regional Purchese Officers are located at Calcutta, Bombay and Madras.

The effect of purchases of stores by the organisation are :

(1) They are purchased in the most economical way.

(2) The locking up of capital in stores is minimised.

(3) The wastage of articles minimised.

(4) The indigenous sources and supply are encouraged and fully utilised.

The audit and payment of bills against contents of the organisation are carried out by the A G. Commerce, Works and Miscellaneous.

CHAPTER—35

Accounting and Auditing of Commercial Concerns

The three categories under which Government Commercial concerns and nationalised industries can be grouped are given below with their distinctive features. The principal difference between them lies in the degree and extent of autonomy allowed to them consistent with the needs of public accountability.

PARA : 745 1. *Concerns which are run departmentally* : (a) Government Control : They are under the control of a Government depertment and are subject to Government rules and procedure with or without modifications.

PARA: 751,752 (b) *Accounts* : They maintain accounts on a single entry system as distinct from double entry system in vogue commercially but for ascertaining profit or loss, the concerns prepare *porfroma* Trading and Profit and Loss Accounts & Balance Sheets annually taking as capital the net cash withdrawals from the treasury plus the net book adjustments for services rendered to the concern

(c) *Audit* : Audit vests in the Comptroller & Auditor General and results of audit are included in the Audit Reports presented to the legislature.

PARA :755-757 FUNCTIONS OF AUDIT :

(1) to secure that the commercial accounts presents a full and true picture of the financial results of the undertaking in terms of commercial ideas of liability and asset.

(2) to ensure that the subsidiary accounts are so prepared as to facilitate comparison of the relative efficiency of Government concerns with one another or with similar non-Government instiutions, and,

(3) to verify the correctness of the allocation of expenditure between capital and revenue, the valuation of assets upon a reasonable basis, and the adequacy of provision for depreciation and bad debts.

The auditor has frequently to accept the results of the 'Internal control' in the accounts of every undertaking but he should see that the system of internal control is adequate and independent in character and that it is being applied efficiently. Besides, the general principles of the audit of Government receipts and expenditure in relation to the individual transactions of the concern are also applicable.

(d) *Parliamentary Legislature Control*: Same control as in the case of any other Government department as receipts enter the Consolidated Fund and expenditure is covered by Appropriation Acts and is included in the Appropriation Account and Audit Report presented to legislature.

2. Statutory Bodies set up by Acts of legislature wholly or mainly financed by Government.

Examples: State Electricity Boards, Damodar Valley Corporation, Neyveli Lignite Corporation etc

PARA: 743,744 (a) Government Control: The respective Acts of legislature prescribe the scope and functions of these statutory bodies subject to the rule making powers of Governments. Government does not interfere in the day to day working though there is close co-operation between the boards set up whose members are appointed by Government and Government itself.

PARA: 753 (b) Accounts: Accounts are maintained on Commercial lines prescribed by Government in consultation with Comptroller and Auditor General.

(c) Audit: The relevant Acts of legislature provide for audit by (1) Comptroller and Auditor General or (2) by Comptroller and Auditor General in addition to a professional auditor or (3) by two professional auditors one of whom is appointed in consultation with him (Certain statutory corporations e g. Reserve Bank of India, Life Insurance Corporation are no however under under his audit.

The copies of the annual accounts with the Audit Reports are placed before legislature and irregularities find a place in the Audit Report.

(d) Parliamentary/Legislature Control: Specific provision is made in the governing Acts for legislatures' control over budgeting and audit and for an annual report to the legislature. The Comptroller and Auditor General's Audit Report is also placed before legislatures.

3 Government Companies registered under the Companies Act-1956.

Examples: Fertiliser Corporation of India Ltd; Hindustan Steel Ltd, etc.

(a) Government Control: Government owns not less thany 51% of the share capital in these companies. The companies work independently of Government subject to the provisions of the Companies Act and the Articles of Association which usuall reserve certain powers to Government regarding capital expenditure schemes over a certain amount of money with overriding powers to issue directions and instructions which should be complied with. The Directors should be appointed in Consultation with Government while the Chairman of the Board of Directors is appointed by Government.

PARA: 754 (b) *Accounts :* The accounts follow the requirements of Companies Act 1956 and the general accepted principles of Commercial accountancy subject to recommendations made by the department of Company Administration and the Comptroller and Auditor General.

PARA: 761-766 (c) *Audit :* The Comptroller and Auditor General is consulted in the appointment of statutory auditors and can give them directions in the matter of audit in regard to regularity and propriety also which is normally outside the scope of professional anditors. The audit report of the statutory auditors along with the comments of Comptroller and Auditor General as a result of his comprehensive appraisal of the working of the company is placed before the annual general meeting of the Company and before the legislature.

PARA: 767 Note : Besides Government owned companies the accounts and annual reports of other companies where Government have invested more than 25% but less than 50% of the paid up capital, are examined in audit with a view to verify the financia stability of the concern and adequacy of the returns on the money invested by Government. Where the Companies are running at a loss for some years, the position is brought to the notice of Government and commented upon in Audit reports.

PARA: 770 (d) Parliamentary / Legislature Control : Control is exercised :

(1) by voting of initial fund for company.

(2) by interpellations by members of legislature.

(3) through discussion of the annual reports of the Company with the statutory auditors report and comments of the Comptroller and Auditor General which are subject to review by the Public Accounts Committees and Committee of public undertakings of Parliament in respect of Central Government Companies.

Discuss the Statutory functions of the Comptroller and Auditor Genaral in regard to audit of Commercial Accounts.

Commercial Accounts fall into the following categories :—

(i) Departmental Commercial Accounts.

(ii) Government Companies Accounts.

(iii) Central Statutory Corporation's Accounts; and

(iv) State Statutory Corporation's accounts.

The relative duties of the Comptroller and Auditor General in each use are as under :—

Departmental Undertakings. He audits all Trading, Manufacturing and Profit and Loss Accounts, Balance Sheets and other subsidiary accounts including receipts.

Government Companies: Duties and powers of the Comptroller and Auditor General relating to the audit of Government Companies are such as are laid down in the Companies Act, 1956.

The Compauies Act, 1956 provides that—

(i) The Auditor of a Government Company shall be oppointed on the advice of the Comptroller and Auditor General.

(ii) The Comptroller and Auditor General has the power to direct the manner in which the company's accounts are to be audited by the Auditor.

(iii) The Comptroller and Auditor General has the power to conduct a supplementary or test-audit of the Compony's Accounts.

Central Corporations: Duties of the Comptroller and Auditor General in relation to the audit of the account of a corporation (not company) established by law of Parliament are to be performed in accordance with the provisions of the respective legislation.

State Corporations : Governor, when he considers it in public interest, may entrust the audit of a corporation established under a law of the State Legislature to the Comptroller and Auditor Central. The corporation has to be given by the State Government a reasonable opportunity to represent against the proposal. (*Section* 19)

CHAPTER 36

INSPECTIONS & LOCAL AUDIT

[PARA 772 – 799]

The need for and objects of Local inspection and Local Audit.

Central Audit in an Audit office is based mainly of accounts rendered to that office in the form prescribed by the Comptroller and Auditor General. The major portion of *original records viz.,* the initial accounts, other books and papers on which the accounts so rendered are based are retained in the offices where they originate. To ensure himself that the original data on which the accouuts and his audit work are based are correct, the Comptroller and Auditor General has authority to inspect any office of accounts which is under the control of the Union or the State including treasuries and such offices responsible for the keeping of the initial orthe subsidiary accounts.

The primary objects of inspection are :

(i) to review such original records as are not received in the audit office :

(ii) to see that the initial accounts kept by the departmental officers are maintained in the prescribed from :

(iii) to ensure that the financial rules and orders are beiung carried out; and

(iv) to test the degree of care exercised by the departmental authorities over the accuracy of such records.

Audit undertakes inspection periodically. At the same time, opportunity is also taken to apply a test-audit to such accounts and vouchers etc , as are not audited in Central Audit.

Local inspection affords reasonable opportunities to the Inspecting Officer to see if the defects pointed out at time of the previous inspection have been removed or not. It also provides ways and means whereby things can be explained locally to the departmental authorities and greater officiency and financial regularity be ensured.

Local Audit: differs from inspection in that its main purpose is to conduct a test-check of the accounts maintained in certain Government institution and offices on the spot. Here, besides seeing whether the initial accounts are properly maintained and financial rules are strictly observed, a test-audit of accounts is conducted in sufficient details to verify the accuracy and completeness of accounts according to the prescribed rules for the audit of expenditure and receipts of the Union and State Government.

The following important matters have to be looked into during local audit.

(*a*) Checking of the Cash-book :

(*b*) Examination of expenditure on contingencies

(c) Examination of leave accounts and service book of non-gezetted Government servants; and

(d) Examination of Balance Sheet and the Profit and Loss Accounts of commercial concerns.

Besides, in the local audit of expenditure, it is seen that (*a*) the vouchers detained in the departmental offices are duly cancelled and kept on record snd (*b*) the entries in the local accounts are vouched for. Leave accounts and service books of the non-gazetted staff are also serutinised to ensure that they are kept properly and in accordance with the rules.

Question (1) What are the primary objects of the inspection of Treasuries and Public Works Divisions by the Audit Officers? Now is an inspection distinguished from Local Audit?

(2) How are the resuits of the inspection and Local Audit reported to the officers concerned for necessary action.

(1) The primary objects of Inspection of treasuries are :—

(i) to assist the Revenus authorities in establishing a system of treasury working in accordance with the prescribed rules :

(ii) to see that the procedures observed at treasuries meet with all the requirements of audit, and that the accounts are properly maintained ;

(iii) to ensure that orders regarding the custody and handling of cash and other valuables and the control of the balances *etc.* are observed.

Inspection of Public Works Division is intended to—

(i) test audit such accounts, vouchers *etc.* as are not audited in central audit or as cannot be checked completely except at the local audit.

(ii) to ensure that the initial accounts from which the accounts rendered to the Audit Office are compiled or on which they are

based, are maintained properly and in accordance with the financial rules and orders in force;

(iii) to see how far the officers responsible for keeping these accounts care for the accuracy of original records.

Local audit may be distinguished from inspection in that its purpose is to audit the initial accounts maintained in certain Government institutions and offices on the spot. Here the duties of Audit are not confined merely to seeing whether the initial accounts are maintained in proper form or whether the financial rules are properly observed but a test audit of accounts is conducted in sufficient detail to verify the accuracy and completeness of accounts according to the prescribed rules for the audit of expenditure and receipts of the Unlon and State Government.

(2) The results of Inspection and Local Audit are set forth in two separate documents as follow :—

1. The Inspection Report, detailing merely the more important defects of procedure and finances irregularities and describing briefly the general state of the accounts and the nature of the financial control over transactions.

2. The Test-Audit Note dealing with minor irregularities which are not important enough to be brought to the notice of higher authority.

The Inspection Report is as brief as possible but the points raised in it are pursued until finally settled. The Tost-Audit Note Note does not require a reply in details, but it is verified of a subsequent inspection that adequate notice was taken of it.

CHAPTER 37

COMPLILATION OF ACCOUNTS

The initial compilation of the Government accounts takes place at the treasuries and the departmental offices, and sub sequent compilation in the respective account office.

In the Account Office, separate accounts are kept for the Union and State.

All transactions appearing in the treasury and departmental accounts are first posted in Detail Books. Abstract, of transaction commuicated by other Accounts officers through exchange accounts and settlement accounts are also prepared and entered in the Detail Books under the appropriate heads (Para 809).

All transfer entries relating to each month are collected in an abstract known as the Combined Transfer Ledger and Abstract, and the net result of the entries as worked out in this abstract is posted monthly under the appropriate heads in the Detail Book and the Departmental classified abstracts below the total of the cash transactions, and the grand totals under the minor and detailed heads affected are thus corrected. (Para 810).

The next stage is the preparation from the detail books of the consolidated abstracts for each department. or major head and separately for all Debt, Deposit and Remittance transactions. This shows the total receipts or disbursements under *each head of account* during the month and to the end of the month and includes also transactions communicated by other accounts officers The final stage is the preparation of the abstract of Major Head Totals, from the consolidated abstracts. Astract shows by the major heads of account the total receipts and disbursements of the account circle during and to the end of the

month. From these Consolidated abstracts, are compiled the monthly and annual accounts of the several Government, Union, State etc.

PARA : 809 Exchange Accounts : are accounts through which are passed all transactions of the Union Government arising in the books of a civil Account officer which are adjusted in the books another account officer (excepting Defence, Rail ways or P & T accounts officer) and book transactions arising in the Union section of a Civil account officer adjustable in the accounts of a State kept by another civil account officer.

PARA: 809. Settlement Accounts : are accounts through which are adjusted transactions intially taken against the balance of a State which are eventually adjusted against the balance of another State or transactions appearing in the books of Civil accounts officer which are adjusted against Defence, Railways or posts and Telegraph depts or *vice versa*. These are called settlement accounts because the money settlement between the parties concerned is effected through the Reserve Bank.

CHAPTE - 38

Technical Accounts

[PARA 811 – 824]

The Government accounts are maintained on the single entry system. The technical accounts known as the journal and

the ledger are maintained on the double entry with a view to bring out the balances of accounts in regard to which Government acts as a banker, remitter, borrower or lender.

Separate journals and ledgers are maintained Union for and State transactions.

The journal sets out (i) the opening balances of the year (an exact replica of the closing balances of the previous year), by group heads (2) all the transactions i. e. the total of Revenue Receipts and service Expenditure month by month during the year and (3) the closing balances of the year.

The object of the ledger is to bring out the balances under the Debt. Deposit and Remittance heads other than those closed to "Government". In Government accounts, the ledger heads are closed either to "Government" or to "Balance". All heads whose balances are not carried forward from year to year are closed to "Government" as they represent only the Cumulative results of revenue. Capital and other transactions in respect of which no separate progressive balanced accounts are kept. Certain Debt Heads.—Inter State settlement, Reserve Bank Deposits, Exchange on Remittances and Certain other Exchange Account heads—are also closed to "Government" as the balance are not carried forward from year to year.

The other Debt, Deposit and Remittance heads for which balance are carried forward are entered in the ledger with the previous year's closing balance as the opening balance

and monthly postings are made and the closing balance at the end of the year are worked out. The accuracy of the postings is tested after the closing of the accounts of the year by the preparation of a trial balance sheet.

Verification of balance : The balances in the ledger under Debt, Deposits and outstandings under Remittance heads are reviewed and duly verified and acceptance for the corrections of the balance are obtained from the persons to whom the balance is owed or to whom it is due. Cases of unreconciled discrepancies and discrepancies for a long time are brought ou in the Finance Accounts.

The balance of Government given in the Annual Financial Statement do not represent a complete statment of the assets or liabilities of Government as the great bulk of the assets of Government which are in kind, land, buildings, factories, workshops, Railways etc. are of such a nature that it is impossibie to place a money value of sufficient accuracy to justify their inclusion in a document of the nature of a Balance sheet.

CHAPTER 39

The Finance Accounts and the Combined Finance and Revenue Accounts

PARA: 826 827 Finance Account : The Finance Accounts of each Government present the accounts of the receipts and outgoing of the Government for the year together with the financial results discolsed by the Revenue and Capital Accounts, the accounts of public debt and the liability and assets of the

Government concerned as worked out from the balances cocerded in the accounts.

It is prepared by the Accountant General concerned and submitted to the Comptroller and Auditoral General for approval and is transmitted by him to the head of the concerned Goverment to be laid before the respective legislatures with certıficate authenticating the accounts.

PARA: 830 Combined Finance and Revenue Accounts :

The combined Finance and Revenue Accounts of the Union and all the States are prepared by the Comptroller and Auditor General for each financial year showing a summary of the accounts with particulars of their balances, and outstanding liabilities, and containing such other information as the President may direct. These accounts are presented together on a common and comparable basis, showing (a) the general accounts and (b) the subsidiary accounts. A brief and general description of the structure of account and brief historical survey of the stages leading upto the excisting financial and Accounting system are also given.

CHAPTER I

INTRODUCTION

Panchayat Unions are local administrative organisations statutorily constituted in rural areas as agents at block level for carrying out public utility measures and schemes relating to National Extension services of the Community Development. The Panchayat Union council governing the Panchayat Union has three committees viz. the appointments committee, the Educational Committee and the General purposes committee, the powers and duties of which are determined by the Panchayat Union council, besides the Commissioner for carrying out the day to day administration, and for the statutory functions specified in Section 44 of the Panchayats Act 1958.

THE COMMISSIONER.

SECTION 44. (1) A Commissioner shall be appointed by the Government in the case of each panchayat union council. Such commissioner shall ordinarily be the Development Officer appointed in pursuance of the National Extension Service Scheme of Community Development for the panchayat deveopment block.

(2) No recovery shall be made from the panchayat union council towards the salary and allowances paid to any commissioner or towards his leave allowances, pension and provident fund.

(3) The Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of the Commissioners appointed under sub-section (1).

PM-1

(4) The Commissioner shall—

(a) have the right to attend the meetings of the panchayat union council or of any committee thereof and take part in the discussions thereat, but without the right to move any resolution or to vote;

(b) attend any meeting of the panchayat union council or of any committee thereof, if required to do so by the chairman;

(c) carry into effect the resolutions of the panchayat union council;

(d) furnish to the panchayat union council such periodical reports regarding the progress made in carrying out the resolutions of that body and in the collection of taxes as the council may direct;

(e) control all the officers and servants of the panchayat union council;

(f) perform all the duties specifically imposed and exercise all the powers conferred on the commissioner by this Act and subject, whenever it is hereinafter expressly so provided, to the sanction of the panchayat union council, and subject also to all other restrictions, limitations and conditions hereinafter imposed, exercise the executive power for the purpose of carrying out the provisions of this Act and be directly responsible for the due fulfilment of the purposes of this Act.

(5) Notwithstanding anything contained in sub-section (2) of section 11 and subject to all provisions of this Act and the rules made thereunder, the panchayat union council shall have power to issue such specific directions as it may think fit regarding the performance by the commissioner of any of the functions assigned to him under this Act :

Provided that where such directions relate to any National Extension Service Scheme of Community Development or any other scheme specially entrusted by the Government to the panchayat union council the directions issued by the council shall be in conformity with the terms and conditions of such entrustment.

(6) Subject to any directions given or restrictions imposed by the Government or the panchayat union council, the commissioner may, by an order in writing, delegate any of his functions to any officer or servant of the panchayat union council or to any servant of the Government. The exercise or discharge of any functions so delegated shall be subject to such restrictions, limitations and conditions as may be laid down by the commissioner and shall also be subject to his control and revision.

Emergency powers of executive authority and commissioner.

SECTION 45. The executive authority or the commissioner may in cases of emergency direct the execution of any work or the doing of any act which requires the sanction of the panchayat or the panchayat union council, as the case may be, and the immediate execution or doing of which is, in his opinion, necessary for the health or safety of the public, and may direct that the expenses of executing such work or doing such act shall be paid from the panchayat fund or the panchayat union fund, as the case may be :

Provided that--

(a) he shall not act under this section in contravention of any order of the panchayat or the panchayat union council prohibiting the execution of any particular work or the doing of any particular act, and

(b) he shall report the action taken under this section and the reasons therefor to the panchayat or the panchayat union council at its next meeting.

1·1 *FUNCTIONAL ASPECTS :*

The Panchayat Unions have mandatory, discretionary and agency functions. Maternity and child welfare, fairs and festivals, maintenance of rural dispensaries, poor houses, orphanages shops stalls, preventive and remedial measures connected with epidemic or malaria, veterinary relief, establishment and maintenance of choultries, agriculture improvement, promotion of cottage industries, elementary education. Panchayat Union roads and markets are to be maintained by the Panchayat Union mandatorily and the expenditure form a first charge on the funds of the Panchayat Union.

Discretionary functions are those which are authorised to perform by the State Government but left to the discretion of the Panchayat Union, e.g. construction and maintenance of water works, burial and burning grounds (Sec. 68, lighting of public roads, maintenance of irrigation works and execution of kudimaramath Sec. 85). Development of agriculture, Animal Husbandry and Village Industries are agency functions. Resources for carrying out these functions are obtained by local taxation, Government grants, loans, contributions and income received from markets, dispensaries and choultries.

The Panchayat Union also functions as treasuries for village Panchayats for which a village Panchayat consolidated fund is maintained by the Commissioner.

1·2. *FUNDS OF PANCHAYAT UNION :*

The funds of the Panchayat Union are classified as follows :

(i) *General Fund* deals with general revenues and administration, health and welfare, communications, remunerative enterprises and transactions releting to deposits and advances. The account divisions are (1) General Accounts (2) Deposit and advances (3) Endowment Accounts pertaining to objects other than education.

(ii) *Education fund* relating to opening and maintenance of elementary schools, provision for midday meals and payment of grant to aided elementary schools The account divisions are (1) Education account (2) School meals account (3) Endowment account pertaining to education.

(iii) *Production fund* relating to agriculture, irrigation, animal husbandry, fisheries Khadi and Village Industries. Separate accounts will be maintained for each of the schemes.

Each of the fund will have ordinary and capital account.

Establishment : The Commissioner is appointed by the Government under Section 44 of the Act while the scale of authorised staff is fixed by Government under section 57 (3) of the Act. While the staff are to be maintained by the Panchayat Union council at its own cost, the National Extension Service establishment will be free of charge under Section 66 of the Act. Government have placed free of charge its officers for execution of the National Extension Scheme of Community Development Programme

The various delegations under the different sections of the Madras Panchayats Act 1958 are contained in Appendix 'A' of the manual of instructions for the maintenance of accounts of the Panchayat Unions.

PANCHAYAT UNION (GENERAL) FUND

SECTION 135. The receipts which shall be credited to the Panchayat Union (General) Fund shall include—

(i) such part of the local cess collected in the panchayat development block as remains after crediting to the Panchayat Union (Education) Fund, the Town Panchayat Fund and the Village Panchayat Fund under section 115;

(ii) the local cess surcharge collected in the panchayat development block under section 116;

(iii) the local cess surcharge matching grant paid by the Government under section 129;

(iv) the local roads grant paid by the Government under section 131;

(v) fees on licences issued and permissions given by panchayat union council;

(vi) fees levied in public markets classified as panchayat union markets after deducting the contribution, if any part by the panchayat union council to the panchayat on the scale fixed by the Government;

(vii) the contribution paid to the panchayat union council by panchayats in respect of the markets classified as panchayat markets;

(viii) fees for the temporary occupation of roads on road margins;

(ix) fees for the use of choultires;

(x) receipts from dispensaries maintained by the panchayat union council;

(xi) income from endowments and trusts under the management of the panchayat union council;

(xii) the proportionate share of the proceeds of the entertainment tax received by the Panchayat Union Council under section 13 of the [1] [Tamil Nadu] Entertainments Tax Act, 1939.

(xiii) contributions from Government, other panchayat union councils, municipalities, other local authorities and persons in aid of any institution or service maintained or financed from panchayat union funds or managed by the panchayat union council;

(xiv) sale-proceeds of tools and plant, stores and materials and of trees and avenue produce appertaining to panchayat union roads;

(xv) income from panchayat union ferries and fisheries;

(xvi) interest on loans and securities;

(xvii) interest on arrears of revenue;

(xviii) income from and sale-proceeds of, buildings, lands and other property belonging to the panchayat union council;

(xix) unclaimed deposits and other forfeitures;

(xx) fines and penalties levied under this Act by the panchayat union council or at its instance or on its behalf;

(xxi) all sums other than those enumerated above or in section 136 which arise out of or are received in aid of, or for expenditure on, any institutions or services maintained or financed from the panchayat union fund or managed by the panchayat union council;

(xxii) all other moneys received by the Panchayat Union Council.

PANCHAYAT UNION (EDUCATION) FUND.

SECTION 136. The receipts which shall be credited to the Panchayat Union (Education) Fund shall; include—

(i) four-ninths of the local cess collected under section 115;

(ii) the land revenue assignment paid by the Government under section 118;

(iii) the Local Education Grant paid by the Government;

(iv) such contribution from the Panchayat Union (General) Fund as the Government may decide to be necessary in any year in order to balance the budget of the fund for that year;

(v) all fines and penalties levied within the jurisdiction of the panchayat union council under the provisions of the [Tamil Nadu][1] Elementary Education Act, 1920.

(vi) all income derived from any endowments or other property owned or managed by the panchayat union council for the benefit of elementary education;

(vii) all other sums which may be contributed or received by the panchayat union council for the purposes of elementary education

CHAPTER II

HOW BUDGET IS PREPARED?

Under section 140 of the Madras Panchayat Act 1958, an annual estimate of the anticipated receipts and expenditure for the next financial year should be prepared by the Commis-

sioner of the Panchayat Union under each of the funds by Ist November together with subsidiary statements such as endowment account, loans account, loans statement, abstract of the advance and deposits, Investment account ect.

SECTION 140 T.N PANCHAYAT ACT

Preparation and sanction of budgets

140 (1) The executive authority of the panchayat and the commissioner, shall in each year frame and place before the Defore the panchayat or the panchayat union council, as the case may be, a budget showing the probable receipts and expenditure during the following year

(2) The budget of a panchayat or panchayat union council shall after preparation by the executive authority of the commissioner, be submitted on or before such date and to such officer as may be prescribed, and if the prescribed officer is satisfied that adequate provision has not been made therein for the performance of any necessary service or services, he shall have power to return the budget for modification in such manner as may be necessary to secure such provision.

(3) The panchayat or the panchayat union council, as the case may be, shall sanction the budget with such modification as it thinks it. If there is a difference of opinion between the officer referred to in sub-section (2) and the panchayat and the panchayat union council, as the case may be, the budget shall be referred to the Inspector in the case of panchayats and the Government in the case of the panchayat union council. The Inspector or the Government, as the case may be, shall have power to modify the budget in such manner as he or they may consider necessary.

(4) If in the course of a year, a panchayat or panchayat union council finds it necessary to alther the figures shown in

the budget with regard to its receipts or to the distribution of the amounts to be expended on the different services undertaken by it, a supplemental or revised budget may be framed, sanctioned, submitted and modified in the manner provided in sub-sections (1) and (2) provided that on such alteration shall be given effect to except with the consent of the prescribed officer.

(5) On or before such date in each year as may be prescribed, every commissioner shall submit to the Government through such officer and in such forms as may be prescribed a budget for the ensuing financial year showing the income and expenditure relating to the panchayat union (education) fund.

(6) The Government may pass such orders as they think fit in respect of the budget referred to in sub-section (5) and the panchayat union council concerned shall be bound to carry out all such orders.

(7) The accounts of the panchayat union (education) fund shall be examined and audited by an auditor appointed by the Government under section 141, and the panchayat union council concerned shall carry out any instructions which the Government may issueon the audit report.

Apporni ment auditors

SECTION 141. (1) The Government shall appoint auditors of the accounts of the receipts and expenditure of the funds of the panchayat union council and of the panchayat. Such auditors shall be deemed to be "public servants" within the meaning of section 21 of the Indian Penal Code.

(2) No contribution shall be recovered by the Government from the panchayat union council or the panchayat towards the pay and allowances of such auditors or towards any other expenditure involved in the audit of the accounts of the panchayat union council or the panchayat.

Contribution to expenditure by other local authorities

SECTION 142. If the expenditure incurred by the Government or by any panchayat union council or by any panchayat or by any other local authority in the State for any purpose authorized by or under this Act, is such as to benefit the inhabitants of the village or town, the panchayat union council or the panchayat, as the case may be, may with the sanction of the Inspector, and shall if so directed by him, make a coniribution towards such expenditure.

While preparing the budget of the union, the general principles as laid down in the Budget Manual should be followed. Provision should be made for what is expected to be paid, for all existing liabilities and likely be incurred, for the working balance of not less than five percent of the estimated receipts of the Budget year excluding endowments, Government grant and debt heads Care should be taken that deficits are not created.

Four copies of the budget with all the enclosures after examination by the Panchayat Union Council shall be sent to the Collectors through the Divisional Development Officers on or before 15th November of every year and the D.D.O after scrutiny will forward three copies with his remarks to the Collector who will return one copy with his remarks and the remarks of the D.D.O. to the Panchayat Union Council before 15th January of each year and another copy to the Government for information retaining the third copy for his record. After carrying out the modifications, if any, suggested by the Collector, the budget shall again be placed before the Panchayat Union Council for sanction together with the elementary education budget as approved by the Director of Rural Development. In case of difference of opinion between the Collector and the Panchayat Union Council, the budget should be referred to the

D.R.D. who has the power to modify it as he considers it necessary. A copy of the sanctioned budget should be forwarded to the auditor.

The Education fund budget of the Panchayat Union shall also be prepared by the Commissioner on or before Ist November of every year after circulation to the members of the Panchayat Union Council, submit to the Director of Rurall Development through the D.E.O. on or before 15th November of every year who will forward it with his remarks to the D.R.D. before Ist December of each year. A copy of the budget should also be sent direct to the D.R.D. by the Commissioner.

[PAGE 9. PANCHAYAT MANVAL]

The sanction of budget should not be construed as authorisation for incurring expenditure as it is subject to sanction being obtained from the competent authority wherever necessary.

A constant watch over the progress of expenditure should be kept to see that the total expenditure is kept within the sanctioned appropitation and in cases of excesses over budget estimates a statement of excesses shall be furnished to the Collector along with the revised estimate and after approval by the Collector, the same should be placed before the Panchayat Union Council for approval by means of a resolution.

[PRGE 11 PANCHAYAT MAHUAL]

CHAPTER III

REMITTANCES

All sums received on account of Panchayat Union general funds and Production Funds shall be lodged in to a Government Treasury or with the sanction of Government in any Bank. In the Dt. Treasuries and the sub-treasuries the account will be termed as "Local fund Deposit Account No. I". Similarly a

separate Cash Book for the transactions of Education Fund is maintained with exclusive Treasury Pass Book and Cheque Book. This account is termed as L.F. Deposit account No.III These accounts will be operated by the Panchayat Union Commissioner by means of cheques and the entries for remittances and drawals will be made in the pass books by the sub-treasuries concerned.

Moneys like licence fees, kist amounts etc. should be remitted by means of miscellaneous chalan in Panchayat Union form No. 5 in duplicate. The Cashier will receive cash and assign a number which will correspond to the number in his chitta after scrutiny of the chalan by Accontant and the original will be handed over to the party after it is duly signed by the Manager and the duplicate copy of the chalan will be kept for office record. In the case of cheques the miscellaneous receipt in Panchayat Union form No. 86 should be issued only on realisation of the amount of the cheques.

[PARA 127 PANCHAYAT MANVAL]

In the case of collections by Field Officers, receipts in Panchayat Union Form No. 85 should be issued to the parties by the Field Officers and the amounts remounts periudically into the Panchyat Union Office by means of chalan in duplicate, the original being returned to the Field Officer and the duplicate being kept as record in the Panchayat Union Office. No miscellaneous receipt need be issued to the parties in respect of such remittances as one copy of the receipt handed over to them will serve the purpose of miscellaneous receipt.

It is important that the end of each day the cash balances of the Panchayat Union is verified by the Manager and the fact recorded in the Cash Books.

3. 1. *Chitta* : will show a record of the money received by the cashier in the Panchayat Union and will be closed every day. The daily totals in the chitta should be agreed with the Accountant's Cash Book and initialled by the Manager. Moneys received should be kept in the Panchayat Union Cash Chest and remitted into the treasury or bank as prescribed by Government noting the same in the column set apart in the chitta, whenever the amount exceeds Rs. 300 or whenever a messenger goes to the treasury. Receipts should no account be appropriated towards expenditure directly. All payments exceeding Rs. 20 shall be made by cheque drawn by the Panchayat Union Commissioner. For making petty payments involving sums below Rs. 20 each Panchayat Union has been authorised to keep Rs. 300 as an imprest.

Remittances into the treasury are made by means of triplicate chalan in Panchayat Union Form No. 76. The counterfoil duly signed by the Accountant and Manager is retained in the office and the duplicate and triplicate is presented along with the money. The triplicate copy of the chalan signed by the Treasury Officer should be pasted to the counterfoil of the chalan retained in the office. Care should be taken to send the pass book once a week to be written up regularly.

All reasonable precautions should be taken by the Panchayat Union Commissioner while arranging for moneys to be carried from one place to another. When the amount to be carried is considerable, the following instructions should be followed :

(i) Sums below Rs. 250	A single peon
(ii) Sums Rs. 250 or above but less than Rs. 500	Two peons or a clerk.

(iii) Sums between Rs. 50 0and above Rs. 5000	A clerk or cashier accompanied by a peon
(iv) Sums of Rs.5000 and above but below Rs. 20,000	Two clerks or a clerk and the cashier accompanied by on or two peons.
(v) Sums over Rs. 20,000	An officer not below the rank of an Accountant or Manager & a clerk or the cashier accompanied by a peon.

The Panchayat Union Commissioner in addition to the above minimum precautions should take additional precautions that may be necessary as the circumstances warrant

All payments in respect of bills presented to the Panchayat Union shall be made only after the bills are passed by the Commissioner and by means of cheques drawn on the treasury or bank in which the moneys are lodged Cheque Book shall be in the personal custody of the drawing officer and whenever a transfer of charge takes place a note shall be recorded in the cash book both by the relieved and relieving officers regarding the unused cheques and cheque books made out and received by them respectively and a specimem signature of the relieving officer together with the prescribed form of certificate should be sent to the Treasury Officer or the local official of the bank.

[PARA. 57

3. 2 *Self Cheque — Certain Restrictions* :

Self cheques should not be drawn for sum exceeding Rs. 300 except in the following cases.

(1) Pay and allowances of establishment.

(2) Recoupment of Permanent advance.

(3) Replenishment of Panchayat Union Cash Chest.

(4) For meeting adjustments between L.F. Deposit Accounts I and II.

(5) Festival advance to members of staff.

(6) Loan from P.F. Account to the Staff.

(7) Arrears of salary to the staff.

(8) Payment of insurance premia from Provident Fund accumulations.

(9) To deposit Provident Fund recoveries in the Post Office savings Banks account.

(10) T.A. for the members of Union Council and the establishment of the Union and

(11) Advances sanctioned to the Panchayat Union Councils.

The pass book is a copy of the account kept in the treasury of the remmittances and withdrawals by the Panchayat Union and the balance in the pass book should be struck at the end of each month duly signed by the Treasury officer. It is the duty of the Accountant to reconcile the treasury balances at the end of each month with that shown in the Cash Book. A certificate of balances should be sent to the Accountant General, Madras through Treasury Officer by the Commissioner.

CANCELLATION OF CHEQUE:

When a signed cheque is cancelled, it should be enfaced cancelled, by the Commissioner and shall be destroyed

by the Auditor as soon as the accounts for the month have been autided. The fact of cancellation should be noted in red ink under initials of the drawer of the cheque on the counterfoil and also across the pass order on the concerned voucher.

If the cheque is cancelled, before the cash transactions of the month have been totalled, the entry in the cash book should be struck out in red ink under the initials of the Commissioner.

If the cheque is cancelled subsequently in the year in which it is issued it should be posted, on the payment side subsequent the cash book in the treasury column as a minus entry, under the head of expenditure to which it was orginally charged.

If the cheque is cancelled in a year subsequent to that in which it was issued the amount of the cheque shall be credited in the cash book in the treasury column under the head 'Refunds of expenditure of provious year'. [Paras 62 to 64 Panchayat manual.]

3.8 PETTY CASH BOOKS — P U Form No.80

Two petty Cash Books are maintained by the Cashier in Panchayat Union form No. 80 – one for general fund and the other for Education Fund. All sums withdrawn from the treasury by means of self cheques by the Commissioner are entered on the receipt side while payments therefrom are entered on the disbursement side in chronological order assigning a number to each payment consecutively. The balance representing the undisbursed cash should be noted every day and should be verified periodically by the manager or the Commissioner. The disbursements out of Petty Cash should be restricted to purposes for which the sums are withdrawn from the treasury. At the end of each month a memorandum will be prepared in the

register showing the details of the items making up the undisbursed balance and all the undisbursed amounts relating to previouse month will be refunded into the treasury. On the last day of March, all the undisbursed amounts on hand will be refunded into the treasury. Recoupment of permanent advance or payments from permanent advance should not be entered in the petty Cash book. [PARA 139 PANCHAYAT MANUAL]

3.4 PERMANENT ADVANCE

A permanent advance will be sanctioned by the Panchayat Union Council for enabling the Commissoner to make petty payments below Rs. 20 to medt the average expenditure of a fortnight. The cashiler will be the custodian of the permanent advance and all payments will be mate only after the payment order has been passed on the voucher by the Commissioner and entered in the Permanent advance disbursement Register. When the Permanent advance begins to run short or at the end of each month, the amount of permanent advance disbursed should be got recouped by means of a contingent bill.

The expentiture on items like Block Jeep, the Cinematograph equipment in the block, the agricultural depot, the primary health centre etc, which the Panchayat Union Commissioner has to incur in his capacity as Block Development Officer and which are not chargeable to Panchayat Union funds but only to State Funds could be met from the funds of the Panchayat Union Council in the first instance and should be got reimbursed from the State funds later. To distinguish these item from normal items of expenditure, thay should be underlined in red ink and transferred to a separate contingent register exclusively maintained for Government items. The Block development Officer cum Panchayat Union commissioner recoupes such items of expenditure by drawing a contingent bill at the

treasury by debit to State Funds under the appropriate head of account enclosing all vouchers with the bill duly god countersigned by D.D.O. which will be adjusted to Local Fund Deposit Account I. The recoupment bill will be made out for the entire amount spent on Panchayat Union items of expenditure and for the unentrusted items of expenditure while ree imbursing the Permanent Advance.

In case of expenditure exceeding Rs. 20 which cannot be met out of permanent Advance, they will be met out of Panchayat Union Funds by debiting to Advances. Recoverable in the panchayat Union accounts and when the amounts are-reimbursement, credits will be afforded to Advance Recoverable. The reimbursement of such expenditure will be watched by the maintenance of a register of reimbursements in Panchayat Union Form No 95.

3.5. CASH BOOK

Cash Book is maintained by the Accountant separately for General Education and Production Funds. The receipts side of the Cash Book is posted from the counterfoils of miscellaneous receipts and the receipted treasury chalans and the totals are agreed with the total in the Register of miscellaneous receipts. Amounts remitted in to the treasury are shown on payment side of the cash book along with other payments which are made by cheques. All entries of payments in the cash book should show briefly the particulars of the charge. Adjustments will be entered in red ink from the Transfer Entry Register as also, all receipts paid into the treasury direct in the treasury column of the cash book on receipt of the pass book from the treasury.

The verious cash books should be closed daily and an abstract struck at the close of each day. The closing balance of

the Production Fund should be extracted daily in the General Fund Cash Book and the total cashbalance of the two funds should be arrived at and certified to by the Manager daily appending similar certificates in the Petty cash books and Permanent Advance disbursement register also. The total cash on hand will be the total cash balance in the General and Education Fund cash books together with the cash balance in the petty cash books and Permanent Advance Disbursement Register. Surprise verification of cash balance should be conducted by the Panchayat Union Commissioner at least once a month and the fact of verification recorded in the cash book Separate cash books are maintained for dealing with the cash relating to Government and Panchayat Union and the cash balance should be struck separately at the end of the day. The amouat avallble in the Panchayat Union treasury will be the sum total of the cash balance of both Panchayat Union and Government Accounts.

At the end of each day the cashier should prepare the cash balance report in Panchayat Union Form No. 8 in respect of the Panchayat Union cash chest duly signed by him, Manager and the Commissioner and sent to the Assistant Examiner of Local Fund Accounts on the next working day.

[PARAS 143 & 144 PANCHAYAT MANUAL]

3 6 *VILLAGE PANCHAYATS CONSOLIDATED FUND*

The Village Panchayats Consolidated Funds is a banking account maintained on behalf of all the village Panchayat in a Panchayat Union Development Block by the Panchayat Union Commissioner. A Local Fund Deposit Account, L.F.D. Account No. II is maintained in sub-treasury on behalf of all Panchayats included in the Union. A cash chest is maintained by the

Commissioner to enable the constituent Panchayats to obtain requirements of cash and also to remit the collections keeping their separate ledger accounts for each village panchayat in his office. Excess over the prescribed maximum of Rs. 3000 accumulating in the cash chest at any time should be remitted into sub-treasury by the Commissioner to the credit of Village Panchayat Consolidated Fund accounts on the next working day.

The balance in the Village Panchayat Consolidated fund of respective village Panchayat as on 31 st March of every year is got confirmed by the Presidents as the Panchayats Presidents are also provided with pass books.

The Village Panchayat Con.olidated fund consists of (1) Local cess (2) duty on transfer of property (3) Magisterial fines (4) licence fees (5) entertainmenttax (6) village house tax matching grant (7) development grants (8) taxes collected on behalf of the panchayats by the Land Revenue staff (9) remittances of collections made by Panchayats.

The remittances to the Village Panchayat Consolidated fund is by means of chalans in duplicate which are scrutinised by the Accountant of the union office who gives a number to the chalan corresponding to the number in the number book maintained by him and sends the chalan to the cashier. The cashier will initial the chalan on receiving the cash, assign the chitta and stamp the chalan and will send in to the Manager who will sign the chalan entering the chalan number and the amount in his number book returning the original chalan to the remitter and passing on the duplicate copy of chalan to the Accountant at the end of the day after talling with the chitta and number book of the Accountant and Manager. The Accountant will give credit to the concerned Panchayat in his ledger.

[PAGES 124 & 125 PANCHAYAT MAUNAL]

Cheques received by Panchayat towards payment of taxes etc may be accepted by the Panchayat Union office if they had been endorsed in favour of Panchayat Union Commissioner and then adjusted to the concerned Panchayats on receipt of the adjustment chalan from the treasury. A register of cheques received should be maintained for recording the transactions.

Withdrawals from Village Panchayat Consolidated fund will be by means of pay orders (Village Panchayat Consolidated Form No. 2) presented at the Panchayat Union office by the Presidents of the Panchayats. Pay orders exceeding Rs. 500 to third parties should be accompanied with the particulars of work or purpose for which the amount is drawn, number and date of Panchayat resolution sanctioning the payment, name of the third party, and whether the amount drawn in the previous pay orders have been fully utilised.

On receipt of a pay order the Accountant should vreify the availability of the amount to the credit of the Panchayat, the agreement of the signature with that of the specimen signature of the Panchayat President, write the pass order on the back of the pay order after assigning a number and then the Manager will sign the pass order assigning a number corresponding to the number of this number book for dis bursements after which payment will be made by the cashier entering it in the register of payment (V.P.C. Form No. 7) Imprest money not exceeding Rs. 300 will be allowed to the Presidents for execution of any work departmentally on obtain ing a resolution of the Panchayat sanctioning the imprest which could be recouped by presenting bills for the amounts actually utilised. The actual utilisation of money drawn should be periodically verified by the Extentsion Officer (Panchayats) and Divsional Panchayat Officers.

In respect of electricity charges relating to Village Panchayat the Panchayat Union Commissioners are authorised by Government to debit the amount to the concerned Village Pynchayat account each month, treating is as pay order. Similar authorisation should be obtained for the recovery of the maintenance charges of the Panchayat radio sets.

[PAGE 120 PANCHAYAT MANUAL]

3.7 *ACCOUNTS*

Transactions in respect of Local Fund Deposit Account II can only be by self cheques drawn by Commissioner or by remittances by Commissioner and there should be no third party cheque or pay orders at the treasury. Even adjustment between Local Fund Deposit Account I. and II will be only on the basis of self cheque drawn on Local Fund Deposit Account I with a chalan for crediting the amount to Local Fund Deposit Account II. It is neaessary to see that the pass books in respect of these accounts are written up promptly and any failure in this regard should be reported to the D.D O. The accounts of the Village Panchayat Consolidated fund is subject to the audit and inspection by the officers of the Local Fund Audit Department.

3.8 REGISTERS TO BE MAINTAINED

The registars to be maintained and the staff who will be maintaining them are given below :

The V.P.C. Fund Chitta The Register of payments to Village Panchayats	Cashier

V.P.C. Fund Number Book for receipts
V.P.C. Fund Number Bookfor payments } Manager

V.P.C. Fund Number Book for rceepits
V.P.C. Fund ledger
V.P.C. Fund Number Book for Payments } Accountant
Abstract of transactions relating to V.P.C. Fund
V.P.C. Fund Cash Book

The Annual statement of deposits and withdrawals in tripicate should be sent to the executive authorities of the Village Panchayats for acceptance of the balance amount. At the end of each financial year a certificate for the balance in respect of Village Panchayat Consolidated Fund will be appended to the Annual account.

A daily sheet of transactions relating to Village Panchayat Consolidated Fund should be sent to the Assistant Examiner of Local Fund Accounts on the next working day duly signed by the Accountant and Manager. Similarly a daily cash balance report in respect of Village Panchayat Consolidated Fund should de sent to the Assistant Examiner of Local Fund Accounts duly signed by the Cashier and Manager on the next working day. The sub-treasury officer also will send an abstract of transactions in Local Fund Deposit Account II in the prescibed form for every week to the Assistant Examiner of Local fund accouets on every Monday.

CHAPTER IV

TAXATION AND FINANCE

The various items of revenues realised by Panchayat Union Councils are as follows :

Local Revenues :

Ordinary—Local cess

Local cess surcharge

Surcharge on entertainment and show tax.

Special—Contribution for various development schemes.

Minor—Local Revenues :

Market fees, Fees on licences and leases, lapsed deposit, fees fines and forfeitures, ferry rentals, choultry fees rent and sale proceeds of lands and buildings, tools and plant, stores materials, Income from Panchayat Union Market, licence fees for private markets, revenue receipts, Licence fee for temporary occupation of road margins, Magisterial fines, encroachment fees. [PAGE 137 PANCHAYAT MANUAL]

Government Grants :

Statutoy—Per capita grant, Local Road grant, Local cess surcharge matching grant, Local Education grant,

Non-Statutory—Village works grant, Schools Meals grant, Grant for running Adult Literary Schools, Social Education grant.

Non-Statutory—Supplementary Education Grant: Local Irrigation Grant, Excess Kudimaramath Grant, Women and child welfare Grant. Maternity and child welfare Grant, Agricultural Grant from State Khadi and Village Industries Board for development of Khadi and Villa e Industries.

Loans: Working capital Loans from State Khadi and Village Industries Board for development of Khadi and Village Industries.

These items of revenues and grants are allocated among general fund, Education Fund and production Funds.

T. N. PANCHAYAT ACT 1986

SOME IMPORTANT SECTIONS

LOCAL CESS

SECTION 115. (1) There shall be levied in every panchayat development block, a local cess at the rate of Rs. 1.50 on every rupee of land revenue payable to the Government in respect of any land for every fasli.

[1] ["*Explanation.*" – In this section and in section 116, 'land revenue' means public revenue due on land and includes water cess payable to the Government for water supplied or used for the irrigation of land, royalty, lease amount or other sum payable to the Government in respect of land held direct from the Government on lease or licence, but does not include any other cess or the surcharge payable under section 116, provided that land revenue remitted shall not be deemed to be land revenue payable for the purpose of this section.]

(2) The ocal cess payable under sub-section (*1*) shall be deemed to be public revenue due on all the lands in respect of

which a person is liable to pay local cess and all the said lands the buildings upon the said lands and their products shall be regarded as the security for the local cess.

Tamil Nadu Act II of 1865

(3) The provision of [2][Tamil Nadu] Revenue Recovery Act, 1864, shall apply to the payment and recovery of the local cess payable under this Act just as they apply to the payment and recovery of the revenue due upon the lands in respect of which the local cess under this Act is payable.

(4) (*a*) Out of the proceeds of the local cess so collected in every panchayat development block, a sum representing four-ninths of the proceeds shall be credited to the panchayat union (education) fund.

(*b*) Out of the proceeds of the local cess collected in every panchayat town in a panchayat development block, a sum representing two-ninth of the said proceeds shall be credited to the town panchayat fund.

(*c*) Out of the balance of the proceeds of the local cess collected in the panchayat development block, such percentage as the panchayat union council may fix shall be credited to the village pauchayat fund, and the percentage shall be fixed so as to secure as nearly as may be that the total income derived by all the village panchayats in the panchayat union does not fall short of an amount calculated at 20 naye Paise for each individual of the village population in the panchayat union.

(*d*) The balance of the proceeds of the local cess collected in the panchayat development block shall be credited to the funds of the panchayat union council.

Local cess surcharge

116. Every panchayat union Council may levy on every person liable to pay land revenue to the Government in respect of any land in the panchayat union a local cess surcharge at such rate, as may be considered suitable as an addition to the local cess levied in the panchayat development block under section 115 provided that the rate of local cess surcharge so levied shall be subject to such maximum as may be prescribed.

Rules regarding collection of local cess

117. The Government may make rules not inconsistent with this Act for regulating the collection of the local cess, the payment thereof to the panchayats and panchayat union councils and the deduction of any expenses incurred by the Government in the collection thereof.

Land Revenue Assignment

118. The Government shall pay to each panchayat union council a sum representing one rupee for each individual of the population of the panchayat development block concerned from out of the total land revenue (including water cess) collected in the State during that year. The sum thus credited to the panchayat union council shall be referred to as the Land Revenue Assignment of that block.

Taxes leviable by panchayats

119. (1) Every village panchayat shall levy in the village and every town pauchayat shall levy in the town a house-tax a profession-tax and a vehicle-tax.

(2) A duty shall also be levied in every panchayat village and every panchayat town on certain transfer of property in accordance with the provisions of section 124.

(3) Subject to such rules as may be prescribed and with the sanction of the Inspector and subject to such restrictions and conditions, if any, as may be imposed by him either at the time of granting sanction or later, the panchayat may also levy in the village or town, as the case may be, a tax on agricultural land for a specific purpose.

House tax

120. (1) The house-tax shall be levied on all houses in every village and town in the basis on which such tax was levied in the local area concerned immediately before the commencement of this Act :

Provided that the Government may by rules prescribe that the tax shall be levied on the basis of classified plinth area or on the basis of annual rent value or capital value or on a combination of any two or more of the above bases.

(2) The house-tax shall, subject to the prior payment of the land revenue, if any, due to the Government in respect of the site of the house, be a first charge upon the house and upon the moveable properity, if any, found within or upon the same and belonging to the person liable to such tax.

[1][3. The Government shall, by notification, determine in regard to any village or town or any class of village or towns whether the house-tax shall be livied every half-year or year and in so doing have regard to the following matters namely :-

(i) the classification of the local areas under section (3) :

(ii) the annual receipts of the panchayats;

(iii) the population of the village or town and the predominent occupation of such population; and

(iv) such other matters as may be prescribed.

(3-A) Subject to the provisions of sub section (3), the house-tax shall be levied as such rates as the panchayat may fix in regard to such basis of levy specified in column (1) of Schedule I, as the panchayat may adopt, not being less than the minimum rates and not exceeding the maximum rates specified in the corresponding entries—

(i) in column (2) of that Schedule, if the tax is levied every half-year; and

(ii) in column (3) thereof, if it is levied every year.]

(4) The Government may make rules providing for—

(i) the manner of ascertaining the annual or capital value of houses or the categories into which they fall for the purposes of taxation;

(ii) the persons who shall be liable to pay the tax and the giving of notices of transfer of houses;

(iii) the grant of vacancy and other remissions;

(iv) the circumstances in which, and the condition subject to which, houses constructed, reconstructed or demolished, or situated in areas included in, or excluded from the village or town [2][during any half-year or year] shall be liable or cease to be liable to the whole or any portion of the tax.

(5) If the occupier of house pays the house-tax on behalf of the owner thereof, such occupier shall be entitled to recover the same from the owner and may deduct the same from the rent then or thereafter due by him to the owner.

121. (1) The profession-tax shall, subject to such rules as may be prescribed, be levied every half-year in every village or town on—

(i) every company which transacts business in such village or town for not less than sixty days in the aggregate in that half-year; and

(ii) every person, who in that half year—

(*a*) exercises a profession, art or calling or transacts business or holds any appointment, public or private—

(i) within such village or town, for not less than sixty days in the aggregate; or

(ii) without such village or town, but who resides in it for not less than sixty days in the aggregate; or

(*b*) resides in such village or town for not less than sixty days in the aggregate and is in receipt of any pension or income from investments.

(2) The profession-tax shall be levied at such rates as may be fixed by the panchayat; not being less than such minimum rates and not exceeding such maximum rates as may be prescribed.

(3) A person shall be chargeble under the class appropriate to his aggregate income from all the source specified in sub-section (1) as being liable to the tax.

(4) If a company or person proves that it or he had paid the sum due on account of the profession-tax levied under this Act, or the companies or profession-tax levied under any other [1] [Tamil Nadu Act] or any tax of the nature of a proession-tax imposed under the Cantonments Act, 1924 for the same half-year to any panchayat, township committee,

municipal council or cantonment authority in the [3] [State of Tamil Nadu] such company or person shall not be liable by reason merely of change of place of business, exercise or profession, art or calling, appointment or residence to pay to any other panchayat, township committee, municipal council or cantonment authority more than the difference between such sum and the amount to which it or he is otherwise liable for the profession of companies tax for the half-year under this Act or any of the aforesaid Acts

(5) Nothing contained in this section shall be deemed to render a person who resides within the local limits of one local authority and exercises his profession, art or calling or transacts business or holds any appointment within the limits of any other local authority or authorities liable to profession-tax for more than the higher of the amounts of the tax leviable by any of the local authorities. In such a case, the Government shall apportion the tax between the local authorities in such manner as they may deem fit and the decision of the Government shall be final :

Provided that where one of the local authorities concerned is a cantonment authority or the port authority of a major port, the decision of the Government shall be subject to the concurrence of the Central Government.

(6) The profession-tax leviable from a firm, association or joint Hindu family may be levied from any adult member of the firm, association or family.

(7) (*a*) If a company or person employs a servant or agent to represent it or him for the purpose of transacting business in any local area, such company or person shall be deemed to transact business in the local area and such servant or agent shall be liable for the profession-tax in respect of the

business of such company or person whether or not such servant or agent has power to make binding contracts on behalf of such company or person.

(*b*) Where one company or person is the agent of another company or person, the former company or person shall not be liable separately to profession-tax on the same income as that of the principal.

122. *Vehicle Tax*

The Vehicle tax shall, subject to such rules as may be presc ribed including rules relating to exemp tons and restrictions, be levied every half-year on all vehicles kept or used within the village or town at such rates as may be fixed by the panchayat not being less than the minimumrates and not exceeding the maximum rate prescribed.

Explanation—In this section, 'vehicle' means a conveyance suitable for use on roads and includes any kind of tram, car, carriage, cart, wagon, bicycle, tricycle and rickshaw, but does not include a motor vehicle as defined in the Motor Vehicles Act. 1939.

Appeals against assessments.

123. An appeal shall lie to such authority and within such times as may be prescribed, against any, assessment of tax made in pursuance of sections 119 to 122.

Gentral Act IV 1939.

124. (1) The duty on transfers of property shall be levied—

Duty on transfers of property.

(*a*) in the form of a surcharge on the duty imposed by the Indian Stamp Act, 1899, as in force for the time being in the [1][State of Tamil Nadu] on every instrument the description specified below which relates to immovable property situated in the area under the jurisdiction of a panchayat; and

(b) at such rate as may be fixed by the Government, not exceeding five per centum on the amount specified below against such instrument:—

Description of Instrument	Amount on which duty should be levied.
(i) Sale of immovable property.	The amount or value of the consideration for the sale, as set forth in the instrument.
(ii) Exchange of immovable property.	The value of the property of the greatest value, as set forth in the instrument.
(iii) Gift of immovable property.	The value of the property, as set forth in the Instrument.
(iv) Mortgage with possession of immovable property.	The amount secured by the mortgage as set forth in the instrument.
(v) Lease in perpetuity of immovable property.	An amount equal to one-sixth of the whole amount or value of the rents which would be paid or delivered in respect of the first fifty years of the lease as set forth in the instrument.

(2) On the introduction of the duty aforesaid—

(*a*) section 27 of the said Indian Stamp Act shall be read as if it specifically required the particulars to be set forth separately in respect of property situated in the area under the jurisdiction of a panchayat and in respect of property situated outside such area;

(*b*) section 64 of the same Act shall be read as if it referred to the panchayat as well as the Government.

(3) (*a*) The amounts collected in the panchayat villages in the panchayat development block as surcharge on the duty on transfers of property under this section shall be pooled every year for the entire block and distributed among all the village panchayats in the block in proportion to the land revenue of the village.

(*b*) The amount collected in any panchayat town as surcharge on the duty on transfers of property under this section, shall be credited to the town panchayat fund.

(4) The Government may make rules not inconsistent with this Act for regulating the collection of the duty, the payment thereof to the panchayat and the deduction of any expenses incurred by the Government in the collection thereof.

Exemptions.

125. No exemption from the payment of any surcharge or tax specified in section 116 or 119 shall be granted by the panchayat or the panchayat union council except in accordance with such rules as may be prescribed :

Provided that in any particular case, such exemption may be granted with the previous sanction of the Government.

Power to require land revenue staff to collect taxes and fees due to panchayats

126. Subject to such rules as may be prescribed, the executive authority or the commissioner shall have power to require the staff of the Land Revenue Department to prepare at quinquennal intervals a House-tax Assesment Register in such form as may be prescribed and to collect any tax of fee due to the panchayat or panchayat union council on pay ment of such remuneration not exceeding 6½ percent of the gross sum collceted as the Collector may, by general or special order, determine.

Write off of irrecoverable amounts

127. Subject to such restrictions and control as may be prescribed, a panchayat or panchayat union council may write off any tax, fee or other amount whatsoever due to it whether under a contract or otherwise, or any sum payable in connexion therewith, if in its opinion such tax, fee, amount or sum is irrecoverable :

Provided that where the Collector or any of his sub-ordinates is responsible for the collection of any tax, fee or other amount due to a panchayat or panchayat union council the power to write off such tax, fee or amount or and sum Payable in connexion therewith, on the ground of its being recoverable; shall be exercise by the Board of Revenue or subject to its control, by the Collector or any authorized by him.

Local Education Grant.

128. The Government shall pay annually to every Panchayat union council a Local Education Grant the amount of which shall be calculated as follows :—

The total amount of experditure approved by the Government for being debited to the Panchayat union (Eduacaion) Fund shall be divided into slabs in the manner specified below :—

So much of the expenditure as may be equal to the land revenue assignment of the block referred to in section 118 shall constitute the first slab.

So much of the expenditure as may be in excess of the first salb subject to a maxinmm of 250 naye Paise for each individual of the population of the panchayat development block concerned shall constitute the second slab,

To each panchayat union council, the Government shall make a Local Education Grant which shall be a proportion of the second slab not less than fifty per cent and not mere than eighty per cent as may be specified by the Government in respect of that block.

Local cess Surcharge Matching Grand.

129 The Government shall pay every year to the panchayat union council a Local Cess Surcharge Matching Grant, which shall be a sum calculated at such percentage as may be prescribed of the proceeds of the local cess surcharge levied in the panchayat development block in excess of the minimum rate fixed under section 116.

classification of panchayat devalopment block.

130. For the purpose of sanctioning grants to panchayat union councils, the Government may classify panchayat

development blocks in such manner as they may deem fit once in every five years and it shall be open to the Government to sanction grants at varying rates for the different classes of panchayat deveopment blocks. It shall also be open to the Government to revise the classification of panchayat deviopment blocks once in every five years,

Local Roads Grant.

131. The Government shall pay every year to every panchayat union council a Local Roads grant, which shall be a sum calculated at the rate of 40 naye Paise for each individual of the estimated population in the panchayat development block to be earmarked and spent on the maintenance of roads in its area such sum shall be in lieu of the amounts palable before the commencement of this Act, with reference to section (10) (1) (a) of the [1][Tamil Nadu] Motor Vehicle Taxation Act. 1931. Such rate shall be reviewed and refixed once in every five years with due regard to the needs and resources of the panchayat union. *Tamil Nadu Act IV of* 1931.

Village House-tax Matching Grant.

132. On every rupee of house-tax collected by a village panchayat, an equal amount shall be paid by the Government as grant which shall be called the Village House-tax Matching Grant.

Deduction from grants in certain cases.

133. Where the panchayat union council undertakes a work of common benefit for more than one panchayat, it may apportion the cost of such work among the different panchayats benefited thereby. In such a case, the panchayat union council shall be entitled to recover the share of such cost from the panchayat out of the amounts payable to the panchayats under sections 115.and 124.

4.1. LOCAL CESS : due to the panchayat Union will be sanctioned by the collectors in advance at the begining of the fasli year onthebasisofthe anticipated collections and will be adjusted by the sub treasury officers based on the copy of the sanction order received by them in the first week of every month in the credit of Local Fund Deposit Account No. I. The Panchayat Union Commissioner also would watch the adjustment of the amount and arrange to credit 4/9th of the proceeds to the Town Panchayat Union (Education) Fund and 2/9th of the proceds to the Town Panchayat Fund. Out of the balance a percentage as fixed by the Panchayat Union Council at a rate not less than 20% per capita of the population of the Panchayats should be credited to Village Panchavat Fund and the balance will be treated a revenue of the Panchayat Union. [Page 140 Panchayat manual]

4.2 *Local Cess Surcharge* : The Panchayat Union Council may levy local cess surcharge at a rate fixed by it as a percentage of land revenue in addition to local cess after following the prescribed procedure for such levy which will be collected along with the local cess. The maximum local cess surcharge leviable has been prescribed as Rs. 1-50 per Rupee of Land Revenue. The local cess surcharge due to the Panchayat Union will be sanctioned by the Collector in advance at the beginning of the fasli year on the b sis of anticipated collections and adjusted be the sub-Treasury Officer on the basis of the copy of the sanction order received by him in the first week of every month to the credit of Local Fund Deposit Account No. I Part of local cess charge is transferable to the Panchayat Union Education Fuud to provide the Panchayat Union share of second slab expenditure on Elementary Education which will be shown as a deduct entry under contribution from General Accounts to 'B' Education Account. [PAGE 143 PANCHAYAT MANUAL]

The adjustment of the local cess as well as local cess charge will be watched through the Register of Receipts of Assigned

Revenues, Taxes, Grants (Panchayat Union Form No 90) and also through Miscellaneous Demand Register.

4.3. *Surchrage on Entertainment and Show Tax* : The Panchayat Union Council should pass a resolution deciding the levy of sur charge on entertainment and show tax setting forth the rate of levy and the date from which it shall be levied after causing publication of the notification in the Tamil Nadu Government Gazette and concern District Gazette and affixing copies of notification in conspicuous places of the Panchayat Union. A copy of the resolution should be sent to the Commercial Tax Officer and the Deputy Commercial Tax Officer concerned who will make steps to assess and realise the surcharge and the assignment will be made at quarterly intervals. A register as prescribed in G O. 2235 R.D & L A., dated 19th October 1963 should be maintained for watching the realisation of the surcharge.

4.4. *Cinema and Licence Fees* : Panchayat Unions are entitled for 5% of the licence fees collected for the grant and renewal of Cinema licence under the Tamil Nadu Cinema's (Regulation) Rules 1957.

4.5. *Land Revenue Assignment* : In the place of land revenue assignment which was being paid by Government to the Panchayat Union Councils in one lumpsum based on 1961 census communicated in Government Memo No. 64067/RD. Accounts—C/62-6 R. D.& L. A., dated 16th July 1963, as per capita grant is sanctioned at the rate of Rs 6/ per head based on the population of 1971 census. The Commissioner of Panchayat Union should have the amounts credited to Local Fund Deposit Account No. I by adjustment only. The realisation of the proceeds should be watched by a register of receipts of assigned Revenue, Taxes, grants (Panchayat Union Form No. 90) as also through Miscellaneous Demand Register.

4.6. *Local Roads Grant is paid* at 18% per capita of the dopulation of the Panchayat Union Councils under Part I of the grant and under Part II Panchayat Union are divided into 3 areas viz. coastal and deltaic. Hill and ordinary. Grant is paid for each mile of Panchayat Union road on an adhoc basis of Rs. 800, Rs. 1500 and Rs. 600 respectively falling in the respective tracts for the efficient maintenance of Panchayat Union Roads. Length of roads maintained by the Panchayat Union Council on 1—4—67 shall be taken as the basis for calculation with effect from 1969—70. The grant will be credited to Local Fund Deposit Account No. I. The realisation of thit will be watched through a Register of Local Roads grant as also Miscellaneous Demand Register. Any portion of the grant not utilised during a year may be spent in another year but no portion of this should be made available for new works and improvements [*Page* 161 *Panchayat Manual*]

4.7. *Local Cess Surcharage Matching Grant* will be paid in advance before 10th of the first month of each quarter of each year based on the sanction of Collector who has been authorised in this behalf by the Government, the rate being 75, 100, 125 and 150 percent of the Local cess surcharge collected depending upon the classification of the block as A.B,C or D. Part of this grant is transferable to Panchayat Union Education Funds to provide Panchayat Union share of second slab of expenditure. The realization of this grant should also be watched through the Register of Receipts of Assigned revenues taxes grant as also Miscellaneous Demand Register. [*Page* 151 *Panchayat Manual*]

4. 8. *Village Works Grant* : Rural works under various schemes are consolidated in the Village works programme for which there is village works grant for every Panchayat Union limited to school buildings and a separate village works grant to each panchayat union for the provision of drinking water supply

and Link roads. The rate of Contribution for water supply is 25% and the balance of 75% will be met from the village works grant. In respect of link roads the contribution by the people with effect from 23-4-73 will be as shown below :

Grade I ... 50%

Grade II ... 45%

Grade III ... 40%

Grade IV ... 30%

Grade V ... 25%

Grade VI ... 20%

No contribution need be collected from Harijans and backward classes.

The execution of these works will be in accordance with the tender rules issued in G.O.Ms. No. 8, RD.LA., dt. 2-1-67 and G.O.Ms. No. 1515 RD,LA., dt. 19-7-63.

The grants for the village works programme will be sanctioned by the D.D.O. on post execution basis on the basis of monthly statement of expenditure incurred during each month in the prescribed form. A ceiling of Rs. 40,000 has been fixed as outlay on individual work and Panchayat Unions should earmark 20% of the village works grant for taking up works, solely for the benefit of Harijans. In no case should the funds under village works grant be diverted without the prior sanction of Government.

In respect of works benefiting solely Harijans the grant is shared between RD & LA Department and Harijan Welfare

Department at 85% plus 15% for water supply works and 90% plus 10% for road works.

In respect of backward villages in each block the Panchayat Union may allow concessional percentage of contribution but such portion of contribution which falls short of the prescribed rate should be met by the Panchayat Union Councils themselves. The total percentage of local contribution including contribution by Panchayat Union should not fall short of prescribed limits. Losses due to fraud, negligence etc. in each case under village work programme would be written off by the Collectors.
[*Page* 158 *Panchayat Manual*]

4.9. *Women and Children Welfare Grant* is paid by Government for implementing the Women and Children's Welfare Programme in all the Panchayat Unions at the rate of 33⅓ paise per capita for five years. The payment is subject to the condition (i) that the Government grant does not exceed 33⅓ paise per capita for five years; (ii) the total amount of contribution made by the local Madar Sangam does not fall short of 50% of the total expenditure incurred on them; (iii) all specified grants should be placed before the Women Welfare Committee of the Panchayat Union before approval by Panchayat Union Council.

The grant is paid by Government on post execution basis.

4.10. *Maternity and Child Welfare Grant* ; (a) The promotion of maternity and child welfare services including brief ante-natal care facilities at the time of confinement and post natal care of mother and child, has been entrusted to the Panchayat Union. To meet the increased expenditure on the opening of maternity centres at the rate of one for every 10,000 population in a block subject to a maximum number of ten such centres in every block, Government sanctions an annual grant equal to ⅔ of the total expenditure. The first half year grant

will be released by the D.D.O. based on the budget estimate of the Panchayat Union for that year and the second instalment will be released based on the statement of claim in the prescribed proforma and to the number of centres to which the union is entitled for grant. A register of grants for maintenance of maternity centres should be maintained.
[*Page* 171 *Panchayat Manual*]

(b) In respect of the reorganised family planning scheme implemented on a phased programme, the Central Government grants 100% assistance on expenditure on maternity assistants (excepting 3 maternity assistants for 3 centres which the Panchayat Union Council has to bear) and in addition assistances for equipment limiting to Rs. 2200 per centre.

4. 11. *Dispensary Grant* is paid by Government for any one dispensary selected by the Panchayat Union Council with the approval of the Government. The grant is paid at 50% of the total expenditure in a year subject to a maximum of Rs. 5000/-. If a L.I.M. or M.B.B.S. trained hand is employed in the selected dispensary the maximum grant is enhanced to Rs. 5400/-.
[*Page* 287 *Panchayat Manual*]

Education Fund: The transactions relating to this fund are accommodated under a separate treasury account L.F.D. Account No. III now opened in the local sub-treasury.

4-11 *Local Revenues* (*Ordinary*). Four ninths of the proceeds of local cess is transferred from the General Funds. Part of local cess surcharge is also transferrable to Panchayat Union Education Funds to provide the second slab of expenditure on Elementary Education.

4-12 *Local Revenues (Special)*: Voluntary Development Contribution towards the sharable portion for the expenditure on the provision of school buildings.

4-13 *Government Grant*: Panchayat Unions get grants from Government to meet the expenditure on specific schemes at rates laid down by Government as the expenditure under Elementary Education in Panchayat Unions is shared by the Government and Panchayat Union in a set pattern by dividing the total expenditure into two slabs.

First slab represents the expenditure at Rupee one per capita of the population of the Panchayat Union and is fully met by Government by way of grant which is given as land revenue assignment. The balance of expenditure over this Government grant, falls in the second slab which is apportioned between the Government and the Panchayat Union.

The Government grant called local education grant is bassed on the following rates:

Category	Government	Panchayat Union Council
I	60%	40%
II	70%	30%
III	80%	20%
IV	85%	15%
V	90%	10%
VI	95%	5%

The Panchayat Union share will be met out of the $\frac{1}{9}$th Local cess transferred from the General Account to Education

Account and from the contribution transferrable from the General Fund to Education Account Ordinary.
[PAGE 153 PANCHAYAT MANUAL]

The quantum of expenditure to be shared between Government and the Panchayat Union is first estimated by deducting from the total Education Expenditure ordinary of the Panchayat Union expenditure on items for which Government extend full or partial assistance. A proforms for calculation of education grant as revised in G.O. 2076 & 2077 RDLA, dt. 29-9-72 is given below :

	Total expenditure under Education account ordinary.
Add	Expenditure on furniture capitalised subject to a maximum of Rs. 1,200
Deduct	(i) Expenditure on Miscellaneous grant schemes fully or partly financed by Government.
	(ii) Expenditure on special D.A.
	(iii) Items of capital expenditure debitable under ordinary account.
	(iv) Expenditure on unauthorised items like unrecognised school etc.

(v) Other receipts ________

TOTAL ________

Balance

Deduct Per capita grant at Rs. 6 per head of population ________

Balance

Deduct New Education grant (according to category 60% 70% etc. ________

Balance

Deduct 4/9th of local cess to be transferred from General funds to Education fund. ________

Balance representing Panchayat Union contribution ________

4-14 *School Meals Grant* : The grant payable by the Panchayat Union Commissioner to the Local Committee i. e. Midday meals and school meals Committee debiting Panchayat Union funds, will be compensated by a specific school meals grant to the Panchayat Union by the District Educational officer on receipt of the grant bill from the Deputy Inspector of Schools. To record the disbursement of the grants to Midday meals committee and to watch the adjustment of the grant to the Panchayat Union Councils from Government, a register of school meals grant should be maintained.

4.15 *Adult Literacy Schools Grant*: The Panchayat Union Councils are running the Adult Literacy Schools manned by teachers working in the Panchayat Union schools and grant is paid to them by the Unions. The Panchayat Union Councils will incur an expenditure not exceeding Rs. 10,000 on payment of grant to Adult Literacy Schools during the period of 5 years when the blocks are in stage I. from the general fund account or the Education Fund Account in the first instance according to the availability of funds and the expenditure got reimbursed at the end of each month on post execution basis from the D.D.Os. who will sanction the grants to the extent of expenditure incurred in the previous months. Expenditure in excess of the ceiling of Rs. 10,000 per block will be met from the Panchayat Union Education Fund and included for purpose of local Education grant. In respect of blocks other than stage I, the entire expenditure on the payment of grants to Adult Literacy Schools will be met from Panchayat Union Education Fund.

4.16 *Social Education Grant*: A non-matching grant of 10 paise per capital for a year will be paid by Government for the five year period covered by the Panchayat Development schematic Budget for being utilised for the execution of the Social Educational Programme and the Panchayat Union should take into account only for this amount while formulating the schemes to be carried out under this programme. The Panchayat Union incurred the expenditure from its funds on selected schemes and obtains reimbursement from D.D.O. The Panchayat Union can spend a higher amount from its own resources without any outside sanction and also alter the allocation made by them in respect of particular items provided the total Government grant admissible is not exceeded and a provision not exceeding Rs. 2,500 is made in full for the provision of radio sets for installation in each of the Panchayats. These transactions which were formerly debited to Education have since

been transferred to General Account ordinary under Health and Welfare after the constitution of separate L F. Deposit Account of Education and School Meals Account.

The claim and adjustment of the grant should be watched by the maintenance of register of social education grant by entering the expenditure on various items of social education.

Details of Model programme and revised model programme for social education are given on pages 174 to 184 of Manual of Instructions for the maintenance of accounts of the Panchayat Unions.

The Panchayat Union also receives grants for expenditure under capital account like construction of school buildings, construction of quarters for woman teachers and also for items like provision of equipment, furniture etc. based on scheme approved by the Government. The grant for school buildings and quarters for women teachers is paid on post execution basis i.e. with reference to the expenditure incurred by the Panchayat Union while in respect of other minor schemes, the grant is either paid in advance or on post execution basis. The rates of grants for the construction of school buildings and women teachers quarters are as detailed below :

School building (under village works programme)	50%. 60%. 70%, 80 of the total expenditure depending on classification of block as A,B,C,D subject to a maximum as follows :

		Rs.
	Higher Elementary School	13,000
	Elementary School	8,000
	The Panchayat/Panchayat Union contribution for Higher Elementary School should be	Rs. 6,000

	and for Elementary Schools as Rs 4,000
Woman Teachers	Plain areas Rs. 5,500 & Rs 300 for electrification
Quarters (Full Grant)	Hill areas Rs. 8,000 & Rs. 300 for electrification

4. 17 PRODUCTION FUND

Agricultural Schemes : Schemes for the development of Agriculture, Animal husbandry and fisheries have been grouped under compulsory and optional items in the production fund accounts. It is obligatory for Panchayat Unions to execute the compulsory schemes and select schemes suitable for local area from those mentioned under optional schcmes. The Panchayat Union frames its agricultural development plan and implements them. Some schemes are implemented by means of contribution paid by the Panchayat Union or the beneficiary Panchayat or individual while others are by means of grants received from Government for works of capital nature like construction of godown, veterinary dispensary etc. The contribution is collected by the Panchayat Union and the balance of expenditure is met from its funds. The allotment of grant every year under respective schemes are indicated by the Director of Rural Development based on which the grant is released by the District Development Officer.

4.18 *Local Irrigation Grant* is a half yearly recurring grant to be utilised exclusively to meet expenditure on maintenance of repairs of Minor Irrigation sources which is realesed by the Collectors in advance in April and October every year on the basis of actual estimates reflecting the needs of each source in accordance with the cycle systems of repairs and on the actual needs. Upsent balance if any, at the end of the financial year need not be refunded as the utilisation could be ensured over a

period of time. A certificate of utilisation with reference to the General progress in maintenance expenditure should be furnished by the Commissioner to the Collector concerned at the end of each financial year.

The income derived from fishery rights of Government in the Minor Irrigation Works transferred to the Panchayat Union for maintenance will be credited to the Panchayat Union (General) Fund.

[Page 237 Panchayat Manual]

4.19 KUDIMARAMATH GRANT

The Madras Panchayat Act provides for the Panchayats or Panchayat Union Councils to take over the customary obligation of provision of free labour for certain types of work on irrigation sources and discharge it meeting the cost therefor, by levying a statutory fee for the purpose and with the approval of the Panchayat Union Council the Kudimaramath work will be executed. Excess expenditure in excess of the limt of Rs. 1 per acre of ayacut per year which is the normal Kudimaramath will be eligible for Government grant. ⅔rd of the expenditure on excess Kudimarmath will be paid as Government grant subject to a maximum of Rupee One per acre ayacut irrigated on post execution basis.

If the Kudimaramath work is executed by the Panchayats the Panchayat will get the ⅔rd grant due on the excess expenditure of the normal limit from the Panchayat Union which will claim re-imbursement of the amount so paid based on a statement of expenditure from the D.D.O. who will sanction the grant to the Panchayat Union. In case the Panchayat Union executes the

work, the expenditure will be met initially from Panchayat Union funds and have it re-imbursed from the D.D.O. by sending a statement of expenditure for the re-imbursement of ⅔rd of the expenditure incurred over and above the normal Kudimaramath in respect of each work.

A register of excess Kudimaramath grant should be maintained in P. F. Form No. 2.

4.20 KHADI PROGRAMME - GRANTS AND LOANS

The programme for the development of Khadi chalked out by the Panchayat Union Commissioner will be sent to the District Khadi and Village Industries Officer concerned who will sanction the entire establishment grant required for the year in advance as also the subsidy for the purchase of the charkas proposed to be purchased by the Panchayat Union Council during that year. On receipt of the sanction from D.K. & V.I.O, the Panchayat Union Commissioner will have the amount adjusted to the credit of L. F. Deposit Account I. The Panchayat Union Commissioner at the end of each quarter furnish a statement of receipts and distribution charkas to the D. K. & V. I. O. for enabling him to adjust the amount of expenditure against the advance grant and subsidy sanctioned. Any excess found at the end of the year will be adjusted against the grant due for the subsequent year. The D.K. & V.I.O, will also sanction the subsidy or rebate for the supply of cotton and slivers to the spinners and for purchase and sale of Khadi clothes based on the statement of expenditure furnished by the Union Commissioner.

The Khadi and Village Industries Board besides the above grant and subsidy also provides working cabital loan for purposes of stocking of cotton slivers, purchase of yarn and khadi. Instructions for the implementation of the khadi schemes and

the forms and registers to be mantained by the Panchayat Union Commissioner are given in Annexure II and III to G.O. Rt. No 680 R.D & L.A, Dt. 3-4-64.

4.21 VILLAGE INDUSTRIES PROGRAMES GRANTS AND LOANS

The development programmes relating to village industries have been entrusted to Panchayat Union by Government and working capital loans as also grant recurring and non-recurring are made available to the Panchayat Union for the establishment of village industries units. Taking into account the availablity of Raw materials, skilled labour and the demand in the block area, the Panchayat Union will go through the E.O. (Industries) select the industry suitable for development and formulate proposals which will be technically scrutinised by the D.K. and V.I.O and administratively sanctioned by the Panchayat Union Commissioner. The grant will be sanctioned as a post execution grant maintaining seperate accounts for loans and grants received from the Khadi and Village Industries Board. The expenditure on the staff for the establishment of these units should be met from the recurring grants sanctioned to the Panchayat Union. Guidance and supervision will be provided by the Khadi and Village Industries Board as the Village Industries units need constant supervision and guidance.

The following are the approved schemes for being implemented in all Panchayat Unions (i) Blacksmithy, (ii) Carpentry, (iii) Beekeeping, (iv) Brick making, (v) Pottery, (vi) Fanning, (vii) Distribution of improved tools, (viii) Lime industry, (ix) Tailoring and embroidery.

The Panchayat Union may take up any other scheme under this programme by sending suitable proposals to the Khadi and Village Industries Board through the D.K. and V.I.O.

The Khadi and Village Industries Board being the budget controlling authority in respect of grants-in-aid and working capital loans to be sanctioned to Panchayat Unions, will be responsible for furnishing all particulars to Government to the R.D. & L.A. Department for making necessary budget provision at state level.

With the advice of the Khadi and Village Industries Officer, the Panchayat Union Commissioner in his capacity as B.D.O. also implements schemes which have not been entrusted to the Panchayat Union. Hence it should be ensured that the accounts relating to the schemes entrusted to the Panchayat Uuions and the schemes directly administered by the Panchayat Union Commissioner as B.D.O. do not get mingled and separate sets of accounts in respect of the above two categories are maintained. The transactions to the schemes entrusted alone should come under the Production Fund Account of the Panchayat Union Council.

4.22 MINOR LOCAL REVENUES

In movable property belonging to the Panchayat Union Council may be leased out and the period of lease should not exceed three years. Any permanent building or structure could be put up by the lease only if the sanction of Collector had been obtained. Immovable propert vested in but not belonging to the Panchayat Union Council other than road sides and street margins may also be leased out by the Panchayat Union Council subject to the coudition that it does not contravene the conditions subject to which the property become vested in the Panchayat Union Council and for periods exceeding twelve months and for putting up any building or structure the prior sanction of the Collector is obtained.

Road side and street margins vested in Panchayat Union Council may be leased out by the Panchayat Union Council for a period of 12 months and with the approval of Collector in excess of that period upto three years and also for puting any structure other than temporary materials like bamboos etc. The Panchayat Union Council itself can renew such leases and sanction of Collector is not necessary. In all cases the lease amount should be collected in advance by the Panchayat Union Council. In G.O Ms. No. 260 R.D. & L A. dated 1-2-62 Government have published the procedure to be adopted for lease, acquisition and transfer of immovable property by the Panchayat Union Council.

4 23 REVENUE MANAGED DEPARTMENTALLY

Market fees, fisheries and feery rents may be managed departmentally. The fees are collected by means of tickets printed and supplied by Commissioner to each officer entrusted with the collections. A register in Panchayat Union Form No. 2 is maintained in respect of these tickets. The first part serves as a stock register showing the receipts issue and the balance while the second part serves as a personal ledger account for each officer entrusted with the collection of revenue of the tickets. The collecting officer also should keep a daily account of the tickets of each kind entrusted to him an also the collection and remittance made by him striking the daily balance of tickets with him. When the tickets are completely sold, the counterfoils should be sent to Panchayat Union office for check of actual credits.

[PARA 27 PANCHAYAT MANUAL]

Other items of revenue for the Panchayat Union includes Avenue produce derived by the sale of fruit bearing trees on the road side and poramboke lands, sale of avenue clippings, old trees, and materials, sale of land, produce etc, choultry receipt

licence fees levied in respect of palces of business requiring licence or permits, licence fess collected for issue of licence under Madras Place of Public Resort Act, encroachment fees entrtainment tax and fines realised in respect of prosecutions launched.

The fines levied by Magisrates are collected and credited to the State Funds in the Treasury in the first instance and then are paid to the Panchayat Unions concerned by crediting the amount in the treasury. 'A statement showing the fines collected and remitted into the Tresury will be furnished by the Magistrates at the end of each month.

CHAPTER V
EXPENDITURE

All claims against the Panchayat Union fund should be preferred by the claimants in the printed bill form provided for such payments duly signed and dated by the claimant and payments will be made after the bills are passed by the Commissioner or by the officer who has been authorised in that behalf. The bills will be subjected to scrutiny and check by the Account ant with regard to sanction admissibility etc. after entering it in the Register of Bills received.

A sanction for a fresh charge which has not been acted on for a year will lapse unless it is renewed. Claims morethan six months but not more than one year from the date on which the claim became due will be paid with orders of the Commissioner and for more than one year with the orders of the Panchayat Union Council.

The period of limitation for arrear claims is normally 3 years from the date on which the amount claimed first became due for payment and in respect of registered contracts it is six

years. In respect of extra-ordinary items of expenditure to be incurred, the Panchayat Union can incur the expenditure with the prior sanction of the Director of Rural Development. Payees acknowledgement stamped wherever necessary should be obtained for all disbursement made by the Panchayat Union Council. All losses either by defalcation or by theft fire etc. should be reported to the Examiner of L.F. Accounts, Madras immediately.

Vouchers for payment should always be in the prescribed forms and the amounts entered in words as well as in figures. All corrections and alterations in vouchers should be attested by the officer signing the bill. All vouchers for expenditure should be placed before the Panchayat Union Council before or after payment duly passed by the Commissioner.

T.N. PANGHAYAT ACT 1958

Application of moneys received and expenditure from funds.

SECTION138. All moneys received by the panchayat union council the village panchyat or the town panchayat shall be applied and disposed of in accordance with the provisions of this Act and other laws :

Provided that the panchayat union council or the panchayat shall have power subject to such rules as may be prescribed to direct that the proceeds of any tax or additional tax levied under this Act shall be earmarked for the purpose of financing any specific public improvement. A separater account shall be kept of the receipts from every such tax or additional tax and the expenditure thereof.

Expentiture from panchayat fund and panchayat union fund.

SECTION 139. (1) The purposes to which the funds of the panchayat union council or the village panchayat or the

town panchayat may be applied include all objects expressly declared obligatory or discretionary by this Act or any rules made thereunder or by any other laws or rules and the funds shall be applicable thereto within the panchayat development block or the village or town, as the case may be subject to such rules or special orders as the Government may precribe or issue and shall, subject as aforesaid be applicable to such purposes outside the panchayat development block or village or town if the expenditure is, authorized by this Act or specially sanctioned by the Inspector.

(2) It shall be the duty of every panchayat union council and panchayat to provide for the payment of—

(i) any amounts failing due on any loans contracted by it;

(ii) the salaries and allowances and the pensions, pensionary contributions and provident fund contributions of its officers and servants;

(iii) sums due under any decree or order of a Court: and

(iv) any other expenses rendered obligatory by or under this Act or any other law.

(3) A panchayat union council or panchayat, may with the sanction of the Government, contribute to any fund for the defence of India.

(4) A panchayat union council or panchayat, may, with the sanction of the Inspector also—

(i) contribute towards the expenses of any public exhibition, ceremony or entertainment in the panchayat development block or village or town;

(ii) contribute to any charitable fund, or to the fund of any institution for the relief of the poor or the treatment of disease of infirmity.

5.1 ESTABLISHMENT BILLS

Pay bills shall be prepared in form 24 or 24A signed and passed by the Commissioner supported when necessary by ab sentee statements, increment certificates, last pay certificates.

Arrear pay shall be claimed in a separate bill and a note thereof shall be made in the original bill in which the charge was omitted to be drawn. The last payment of an employees' pay and allowances quitting the service should not be made until it has been ascertained that there are no demands out-standing against him.

The drawer of a bill for a salary is personally held responsible until the amount is disbursed to the proper person. If payee does not present himself within 30 days, the amount should be refunded by short drawal in the next bill. The undisbursed salary shall not be kept under deposit.

The pay bills and bills of medical institutions should be signed by the medical officers and that of elementary school by the Headmasters concerned and passed for payment by the Commissioner after scrutiny and check by the Accountant. The cheque for medical institutions will be sent by Registered Post to the Medical Officer on the nearest treasury or sub-treasury or by money order and the Medical Officer after disbursement of salaries will submit the acquittances to the Panchayat Union Commissioner. In the case of elementary schools, the Com-missioner will group together schools into convenient groups like lower and higher, junior and senior lying inclose proximity and a consolidated cheque for the salary due to the employees of all schools forming part of the school group will be issued to

the Head teacher known as the paymaster for this purpose in advance either in person or by post. On the first working day of the month after encashment of the cheque the paymaster will return to his school and hand over to the Headmasters of the school concerned who will be present, the salary of the teachers in each of the schools after obtaining their signature in the slips in duplicate. One copy of the slip will be retained by the Paymaster for his record and the other copy will be sent to the Panchayat Union office.
[PARA 80 PANCHAYAT MANUAL]

5.2 ARREAR CLAIMS

Arrears of pay and allowances or increments of pay which has been allowed to remain in abeyance should before payment be investigated by the Commissioner.

(a) with the sanction of Panchayat Union Council in the case of claims relating to a period exceeding six months but not exceeding 2 years and

(b) with the sanction of the Panchayat Union Gouncil and of the Collector in the case of claims relating to a period exceeding two years.

In respect of teachers in Panchayat Union Council the Collector has the power to sanction the investigation and payment of arrears etc.

The Examiner of L.F. Account should be consulted in respect of payment of arrear claims for periods exceeding one year and exceeding Rs. 100 in each case.
[*Page 271 Panchayat Manual*]

5.3 ESTABLISHMENT AUDIT REGISTER

To facilitate the check of monthly pay bills, an Audit Register shall be maintained in Form No. 30. in the Accounts Branch. Each page provides for the record of three years charge. A page should be set apart for the audit of each section of the establishment. The details of Permanent establishment sanctioned should be recorded in each page and the details of the scales and the incumbents of the posts recorded in a fly leaf attached to the audit register folios.

In posting the audit register the amount shown in the 'net' column for each section should be entered. Below this should be entered in red ink with the letter "We" to check payment of arrears at a later date. Similarly fines are remitted subsequently. The audit register runs from April to March and pay is recorded under month for which it was due.

In the case of temporary estabilshment requiste entries be made in the first three columns of the audit register on receipt of sanction indicating the period for which the sanction holds good, details of the appointments sanctioned etc.

5.4 T.A. BILLS

The T.A. payable members of Panchayat Union Councils including Chairman, Vice-Chairman and Chairman delegate and members of standing or other committees will be governed by the Manual of Special Pay and allowance Rules as amended from time to time subject to modifications and limitations and limitations specified in the rules issued in G.O.No.1677 LA., dt 8-10-1960 as amended.

T.A. Bills are drawn in form No. 35 and should be scrutinised by the Accountant to see that the claims are correct, that no advance of T.A. has been drawn and if so whether it has been adjusted. No claim of T.A. shall be entertained if it is made after three months from the date of completion of the journey. The Panchayat Union Commissioner will be the controlling officer for the purpose of T.A. of staff working under him and the D.D.O. will be the controlling officer for purpose of T.A. in respect of Panchayat Union Commissioner. The claim for T.A. of the Chairman, Vice-Chairman or members will be passed by the Commissioner after scrutiny.

Fixed T.A. and conveyance allowance shall be drawn in the pay bill of the official concerned and a certificate that the conveyance was actually maintained in good order and used by the official during the month should be attached to the Bill. Actual bus fare is payable to the peon of the Chairman for carrying tapals to Chairman only.

5.5. SUPPLY OF MATERIALS, GOODS ETC.

The Panchayat Union Council may determine upto what limit of cost exceeding Rs. 400/tenders may be dispensed with in respect of supply of materials, goods etc. other than for execution of works. The rules relating to the invitation and disposal of tenders to Panchayat Union Council issued with G.O. (P.S.) No. 1677 LA. dt 8-10-1960 should be followed when tenders are invited. The lowest tender should be accepted ordinarily and if the lowest tender is not accepted reasons for non acceptance of the lower tender should be recorded in writing. The sanction of the D.D.O. should be obtained for dispensing with tender and non observance of any of the provisions of tender rules should be got condoned by the D.D.O.

The contractor or lessee should carryout his terms of contract or lease as the case may be, and if by reason of the occurrence

some extra ordinary cause which could not have been reasonably anticipated for example outbreak of epidemic etc., remission shall be granted which shall not exceed the proportionate amount payable under the lease or contract for the period for which the lessee or contractor was prevented from carryingout his part of the or contractor. When the amount exceeds Rs 50 sanction of the Collector should be obtained. Writes off is quite different from Remission as writes off are for amounts found irrecoverable while remission is an exemption in whole or part of the demand granted temporarily. Writes off and remissions can be sanctioned by the Panchayat Union Council subject to the limits prescribed by Government. Remission can be sanctioned upto Rs. 50/ by the Panchayat Union Council and exeeding Rs. 50/ with the sanction of the Collector.

Only with the sanction of Panchayat Union Council the revenue received by the union, should be refunded and the sanction will lapse after one year from the date of grant thereof after which fresh sanction will be necessary.

Postage stamps duly preforated with letters "L.F.D. should only be used on all official correspondence of Panchayat Unions and a separate account for the receipt, issue should be maintained and the balance of stamps on hand should be verified at the close of each month by the Commissioner or the Manager and duly certified.

Separate accounts should be maintained for the stationery purchased and issues entered obtaining the initials of the officer to whom supplied. At the end of each half year the actual stock should be verified by the Commissioner or the Manager and duly certified.

A register of Tools and Plants in Panchayat Union Form No. 44 should be maintained in respect of all furniture received in each subordinate institution and a consolidated register of

Tools and Plants should be maintained in the Accounts branch showing the opening balance, receipts, issues and closing balance in respect of articles distributed to several institutions, a certificate of the existence of all the furniture etc. should be obtained annually from the head of each institution and checked with the register maintained in the office and discrepancies if any reconciled. An annual verification of the tools etc. should be made by the Commissioner and a certificate to that effect should be recorded in the register.

Law Charges : Panchayat Union may pay fees to the counsel as shown below without any outside sanction.

(i) in civil cases the regulation fee or a fee exceeding the regulation fee but not exceeding Rs. 100.

(ii) in criminal cases - a fee to be fixed according to the case on hand but subject to a maximum of Rs. 25 for each day during which the counsel is engaged in court in connection with the case for not less than three hours or for less than three hours but at a station different from that where he usually practices and Rs. 15 for each day in all other cases.
[PAGE 284 PANCHAYAT MANUAL]

A suit register showing the particulars of suits instituted, costs incurred, advances made to pleaders and their adjustments on receipt of their bills, sums decreed, and recovered, should be maintained in the accounts branch and reviewed by the Commissioner monthly and a certificate accorded in the register. The Commissioner should send a half yearly certificate to the Examiner of Local Fund Accounts, Madras in the form prescribed.

5.6 PUBLIC HEALTH EXPENDITURE

After the constitution of Panchayat Union Council the subsidised rural dispensaries in the Panchayat development block

came under the control of the Panchayat Union Coun
is paid by Government to cover 50% of the total expen
a year on the maintenance of on regular dispensary selec
the Panchayat Union Council subject to a ceiling of Rs
and the grant is sanctioned by D D.O. and released in 2
yearly instalments. If the selected dispensary employs a L.I.M.
or M.B.B.S. trained hand, the maximum grant is enhanced to
Rs. 5,400.

Towards purchase of medicine, the Panchayat Union Councils have been advised by Government to make the following provision sin their budget.

(i) Regular Panchayat Union Dispensaries — Rs. 5000 per annum

(ii) Rural dispensaries — Rs. 2500 per annum

5.7 PREVENTION OF EPIDEMICS :

CONTROL OF FAIRS & FESTIVALS ETC

The Panchayat Union Council should make reasonable provision for prevention and remedial measures connected with epidemics and also for the control of fairs and festivals classified as Panchayat Union festivals by the D.R.D. in consultation with the Director of Public Health

Contributions : No Panchayat Union Council is allowed to make contribution for the relief of distress caused by fires, flood, storms, cyclones etc.

CHAPTER VI

PUBLIC WORKS

After the re-organisation of the Highways department as Highways and Rural Works Department, there is one Divisional

Tools an(
showing r each development district. One Assistant Engineer
in resp his jurisdiction roughly over a taluk and a junior
ficate r known as Panchayat Junior Engineer for every developed nt block (Panchayat Union) to attend to all the works of th Panchayats and Panchayat Union. He will work under the ministrative control of the Panchayat Union Commissioner nd technical control of the officers of the Highways and Rural orks Department.

.1. PANCHAYAT UNION ENGINEER

The Panchayat Union Engineer is responsible for the proper upervision of all engineering works within the Union and for he proper maintenance and accounting of Panchayat Union vorks as also for the preparation of estimates, obtaining of echnical sanction, preparation of Bills for payment to work etc. while the Assistant Engineer (Highways and Rural Works) will be responsible for the execution of all works within the Jnion, submission of estimates in time and works pushed hrough.

.2. CLASSIFICATION OF WORKS

Works are classified as original works and repair or mainnance works. The original works are new construtions or dditions and alterations to the existing works while repairs are rimarily operations undertaken to maintain in proper condition buildings etc. Original works will also include the replacement f the existing portion of a road, road bridge, cause way, mbankment, ferry approach, cross drainage work, metalling of nmetalled roads and special repairs owing to extraordinary ircumstances.

The Union Engineer will furnish a list of Panchayat Union Roads requiring repairs the details of repairs etc and the works o be done, at the beginning of the financial year to the nchayat Union Council annually and the Panchayat Union ill select the works and allot the funds accordingly.

6.3. ESTIMATES - P. U. FORM No. 49

Estimates for works should be drawn in Pancha. Form No. 49, and will consist of four parts.

(i) a report in clear terms the object to be gained l execution of the work estimated for.

(ii) a specification showing fully and clearly the det of the work.

(iii) a detailed statement of measurements and quantitie.

(iv) the abstract of estimate showing the total estimated cost of each kind of work.

The rates provided in the estimates should correspond to those in the schedule of rates and if the rates are higher detailed data in support of the rates should be furnished. Provisions fo unforeseen contingencies amounting to 3% should be made in the estimate besides for incidental expenditure which can be foreseen such as compensation towards cost of land etc. Estimates for new roads will give the rate for K.M. of each kind of work e.g earth work metalling etc.

Estimate for works (original or maintenance) upto Rs. 3000/-	To be prepared by the Union Overseer
All Estimate costing more than Rs. 3000/-	To be prepared by th Union Engineer an sent to A.E. (H & RW, for technical sanction.

The authorities competent to accord administrative and technical sanction are detailed below :

Grant works (origional or maintenance) Estimate costing not more than Rs. 3000/-	Panchayat Union Cour cil and Union Engine

…mate costings Rs. 3000 to 10, 000 –	Panchayat Union Council and E.E. (H & RW)
Estimate costing Rs. 10,001 to Rs. 40,000–	Panchayat Union Council and D.E. (H & RW)
Estimate costing Rs. 40,001 to Rs. 1,00,000	Panchayata Union Council and S.E. (H & RW)
Estimate exceeding Rs. 1, 00, 000	Panchayat Union Council and C.E. (H & RW)

Repair works

Estimates costing not more than Rs. 3000/-	Panchayat Union Council and Union Engineer
Estimate costings Rs. 3001 to Rs. 10,000 –	Panchayat Union Council and D E. H & RW)

The Panchayat Union is competent to administratively sanction all estimates. The sanction to annual maintenance estimate shall lapse on the last day of the financial year to which it relates and estimates for special repairs shall remain current till the completion of the repairs like original works while the estimate for any public work, unless the work has been commenced, will cease to operate after a period of 3 years from the date from which sanction was accorded.

When the savings or excesses due to deviations do not exceed 5% of the total amount of the sanctioned estimate, the deviations may be sanctioned by the Panchayat Union Councils themselves if there has been no deviation from the sanctioned design. In other cases the deviations along with a revised estimate should be sent to the authority which sanctioned the estimate.

6.4 REVISED ESTIMATE

A revised estimate should be prepared in the cases.

(i) Due to increase in rates.

(ii) Due to increase in quantity being found necess;

(iii) Due to damage caused by floods, rains etc.

(iv) Necessity to renew a work executed departmently by a contractor when condemned by a higher authority.

(v) Any other cause discovered during the 'execution of the work.

(vi) When a change of design or plan is considere necessary.

(vii) For renewal of a work which was abandoned afte partial executio

6.5 *Supplemental Estimate* is prepared when a development c project work which is not fairly contingent on the proper exe- cution of the work at first is necessary while the work is progress. It should be submitted before additional works a undertaken and a report of the circumstances which render necessary should be enclosed. The abstract should showd t. amount of original estimate and the total amount including t supplementary estimate.

Excess over Estimates and the limits upto which suc sanction may be accorded are detailed in rules relating to th Madras Panchayats and Panchayat Unions (Preparation of Plans and Estimates etc.) Rules 1963 as amended from time to time

Schedule of Rates as adopted by the Highways and Rur Works Department for each district should be adopted by t Panchayat Unions also. Copies of the printed schedule of ra should be obtained from the Superintending Engineer (P. ion

Tools an(on payment of cost Changes if any in the rates should showing ᵊrtained by the Commissioner from the P.W.D. and incor. In re˜ d in the schedule of rates.
ficate
ed Road Metal Rate Book will show the lowest rates at which ... ietal can be supplied to road side for each K.M. for every road ...nd it should be maintained in each Panchayat Union office. The rates should also be revised if old quarries are exhausted or new ones opened etc. Road Metal Rate Book should be got approved by the Divisional Engineer (H & RW) every year and any change in quarries should be made only with the previous approval of the Divisional Engineer (H & RW).

[PAGE 31 PANCHAYAT MANUAL]

6.6 *Contracts* : Contracts are of two kinds viz. scheduled contracts and piece work contracts.

(i) Schedule contracts are those in which the contractor undertakes to execute the work at fixed rates depending on the quantities or kinds of work or material supplied.

(ii) Piece work contract is work for which only rates are agreed upon without reference to either to the total quantity of work to be done or the time allowed for completion of the work. The rates should not exceed those in the sanctioned estimate.

Besides the above there are two other classes of contracts :

(i) Lumpsum contract and

(ii) 'A' system of contract.

Lumpsum Contract is a contract wherein the contractor agrees to execute the work for a fixed sum.

'A' System of Contracts is applicable to Road maintenance only and fixed sum per mile is paid to the contractor on condi-

tion that the road should be kept in order throughout t
No measurements are required under this system.
[Page 313 Panchayat manual]

6 7 *Tenders* : If the value of the work to be executed excee Rs. 1500 tenders should be called for. The rules relating to the invitation and disposal of tenders have been issued wity G.O No. 1441 RD & LA Dt. 22-5-61 as amended. After the tenders are opened they shall be tabulated and entered in a tender register (Panchayat Union Form No. 58) which shall be scrutinised by the Commissioner and duly certified. Tenders for works exceeding Rs. 1500 but not exceeding Rs. 3000, Panchayat Union Council can dispense with tenders if no tenders were received in the first call or only high tenders were received. The Commissioner can negotiate with tenderers upto Rs. 2,500.

Upto Rs. 10,000	With the approval of A.E.
Upto Rs. 25,000	,, ,, of D.E.
Exceeding Rs. 25,000	,, ,, of S.E.

A register of contractors (Panchayat Union From No. 56) which is to be treated as confidential should also be maintained in the Panchayat Union Office and a copy of it should be submitted annually to the Divisional Engineer (H & RW) concerned and will be scrutinised by the Panchayat Union Engineer at least once in six months. The register should be kept upto date and the quantities of works executed, the qualifications of the contractor besides the quality of works previously executed and other relevant particulars should be entered in the remarks column of the register. The Panchayat Union Council may fix a fee not exceeding Rs. 10 for registration as a contractor.

In respect of works executed by contract or supplies made for works an agreement duly stampted should be obtained from

nion

Tools an[...]ctor. All materials supplied and work done by con- showing [...] departmental agency should be measured and mea- In res[...] recorded in a measurement book before payment is ficate [...]o the contractor In the case of petty works not execu- ed [...]departmentally and where it is not feasible to furnish [...]asurements, the check measuring officer should certify on the [...]d in each case that the work done is worth the amount paid [...]r it. Authorities competent to measure all works done or [...]aterials supplied for works whether by contract or depart- mental agency are given below.

(a) All public works (original or maintenance) costing not more than Rs. 3000	Panchayat Union overseer
(b) All public works (original or maintenance) costing more than Rs. 3000	Panchayat Union overseer

The measurements recorded for works executed or materials supplied should be check measured by the authorities empowered in this behalf and the fact of having check measured should be recorded in the measurement book as also in the contract certi- ficate on which final payment is made. The items of work check measured should be initialled under the initial or signature of the check measuring officer against the measurements taken in the measurements book. The authorities competent to check measure the works executed or materials supplied are as shown below :

All public works costing not more than Rs. 3000	Panchayat Union Engineer
All public works costing more than Rs. 3000	Asst. Engineer (H & RW)

The A E. (H & RW) shall also super check not less than 6.5% of works costing below Rs. 3000 check measured by the

Panchayat Union Engineer and also first and the fina works costing more than 3000 and countersign all ot mediate bills after table check of the calculation and etc. The Divisional Engineer (HW & RW) will also tes. any one of the important works check measured the (HW & RW) in the Panchayat Union every year Payments contractors for the works executed and supplies effected sho beby means of cheques based on the contract certificates.

5 8 *Contractor's Ledger* : is in the form of a personal accou for the contractors allotting each folio for each contractor. The entires on the debtor side show the payments made to the contractors and entries on the creditor side, the value of work done as shown in the contract certificates. The account will cover all transactions to which the contractor is a party with a brief entry of the name of work, number and amount of each cheque and the Balance due to contractor etc. The value of materials supplied to the contractor should be debited to his account. The accounts of the contractor should be closed without delay on the completion of the work or contract. The ledger will be maintained by the Accountant.

In the case of departmental execution of works the basis o the account will be by means of nominai Muster rolls in Panchayat Union Form No. 16. which will be kept for each gan of labourers for a week, fortnight or a month as found con venient. The nominal Muster Roll should show the names o labourers, the rate of wages and the subordinate who is in charge should take daily attendance of the labourers and it should be closed after the close of week or other period as the case may be. The date of payment should be entered in the Nominal Muster Roll after taking the acquittance or thumb impression of the labourer and a disbursement certificate recorded at the foot of the Nominal Muster Roll.

Tools an...

showing ... in Part II of the Nominal Muster Roll, an abstract of the in res... of the work done as compared with the cost of labour ficat... ployed should be exhibited In case the work is of a petty ed ...ture and not susceptible of measurements, Part II of the ...Nominal Muster Roll need not be filled in but in lieu thereof a certificate that the work turned out is worth the amount paid for it should be furnished.

In respect of materials received, issued etc. a stock account should be maintained by the Panchayat Union Engineer or overseer giving a continuous record of the receipts, issues and balances separately for each work. When materials are transferred from one work to another, it should be shown as minus entries in the account of the original work and as receipts in the account of the work to which transferred giving necessary indication in each of the two accounts. Adjustment vouchers for value of materials transferred should be prepared immediately and necessary adjustments should be carried out by the accounts branch in the month in which the transaction takes place in the account and Register of 'Estimates and Allotments. Unused materials if any should be disposed of by using them on other work or taken to stores or selling them in public auction and the value thereof is deducted in total expenditure in the completion report.

In respect of road metal the overseer or supervisor should submit a statement in Panchayat Union Form No 53 showing the receipts and issues of road metal during the month and the balance at the road side for each Kilo Metre of every road with reference to the payments for collections of metal for receipts and the issues with those for spreading. At the end of each official year, the actual existence of unused balance of metal at each road side should be verified and measured entered in the measurement book and [any difference between the quanities

shown in the Road metal statement for March an balance should be taken to the notice of the Panchayt Council.

Major tools and plants required by the Union for execu of works may be taken on hire from Highways and Rural Wo. Department subject to the conditions governing such hiring of T & P. The A.E. (HW & RW) will prepare and send a statement of hire charges due before 25th of each month to the Commissioner with a copy to Divisional Enginer (HW & RW) and the Union Engineer of the respective Union and payment should be made not later than the suceeding month.

In order to make certain inevitable classes of payment for labour and materials purchased the Union Engineer has been sanctioned a sum of money known as imprest which will be fixed by the Panchayat Union Council subject to such restrictions imposed by Government from time to time. The imprest will be debited to "Advances Recoverable" and entered in the Register of Advances Recoverable as advance made to the Union Engineer for departmental works and its adjustments watched in Accounts Branch. An imprest account will be maintained by the Union Engineer in Panchayat Union Form No. 62 in respect of all departmental works recording all payments for the materials purchased or for labour towards wages, giving imprest voucher numbers serially in the order of payment. When the imprest runs short the accounts will be closed and in any case at the end of each month sending a copy thereof to the Commissioner with the connected vouchers containing the reference of the sanctioned estimate and copy of the materials account together with an application if additional imperest is required, if any. The Accounts branch after scrutiny and check of the imprest vouchres with reference to the estimate, schedule of rates etc. will pass the vouchres for reimbursement of the amount by the Commissioner communicating disallowances made if any, Balance of temporary imprest (if any after completion of work should be refunded by the Union Engineer.

Tools an
showing ... edit to the ledger account of the concerned village
in rese... the Village Panchayat Consolidated Fund account.
ficate ...y on Transfer of property is levied subject to a maxi-
ed ...3% as a surcharge on stamp duty. The collections in
the ...ages in a block is pooled and distributed among all village
re-...ayats in proportion to the Land Revenue of the village.

...E 254 PANCHAYAT MANUAL]

...r Registration Department sanctions the amounts to the ...nchayat Union and the Panchayat Union after crediting the ...ne, works out the share due to each village and transfers the ... to the village Panchayat by credit to its ledger account in ...ge Panchayat Consolidated Fund.

VILLAGE HOUSE TAX MATCHING GRANT

Based on House Tax collections in a village Panchayat ...rnment give a 100% matching grant which is adjusted in two ... yearly instalments to the Panchayat Union by the D.D.O. ... on realisation, the proceeds are transferred to the respective ...e panchayats to watch the recoveries on account of the ...ces.

... Other deposits of Panchayat Union Councils are of the ...wing kinds :

(1) Contractor's deposits towards their contracts.

(2) Earnest money deposits of tenderers

(3) Renters' deposits for the punctual payment of kists

(4) Fees on licences collected on behalf of village Panchayats, pending adjustment to their account.

(5) Other miscellaneous deposits

(6) Security deposit of Panchayat Union Council's servants.

...rrying

The deposits may be received in cash, savings Government promissory notes, Municipal L F del National plan savings cerlficates, Defence saving prize bonds and fixed deposits in State Banks of Indi Nadu State Co-operative Bank or any other co-opera tities. A register of deposits should be maintained in F 66 and necessary entries should be made for all deposits The cash received will be remitted into the treasury and received other than in cash will be kept in safe custody Commissioner. The total of the deposits received during month should be struck and reconciled with that shown in posting register. Refunds of deposits in cash or tranfer sho be by means of vouchers and should be noted against the o nal credit in the register and the total of each month a with that shown in the posting register. The enteries re to receipt as well as the refund of deposits in the register sh be attested by the Commissioner. At the end of each year deposit of balance thereof shall be c edited to a revenue head account if it had remained unclaimed for a period of three y from the date on which it became repayable or if the de received in cash and the balance thereof does not excee rupee which remained unclaimed for a period of one year the the date on which it became repayable. The lapsed dep should be entered in the Register of lapsed deposits in Panch Union Form No. 67. [*Page 339 Panchayat Manual*]

The following items should not be credited to a deposit he

(a) Sums which can be credited to a deposit head

(b) Pay, Pension and leave salary or allowances

(c) Fines.

In respect of securities paid by Panchayat Union servar a register in Panchayat Union Form No. 71 is maintair These should be verified at the end of each year by the Comr sioner or Manager and a certificate of such verification reco in the register. at Union

Tools and ... MENTS

showing ... anchayat Union Council may invest the whole or any in resp... the earmarked funds viz. Tamil Nadu Government securi- ficate... ernment of India securities or Post Office savings ed ... 3% in the case of P. E. balances required for early disbu- the... gest and the unspent loan funds in fixed deposits upto 3 re... yats in Co-operative banks upto Rs. 5000/- and with the m... ion of DRD if the sums exceed Rs. 5000/- No other fund b... E ... withdrawn from a Panchayat Union Council for invest- ... But without the special sanction of the Government.

An account is maintained in Panchayat Union Form No.68 ...y the accountant for the investments. The interest due and ...alised on investments made will be shown in this register from ...e to time and an abstract showing the interest due, realised ... the balance will be recorded at the end of the year over the ...nature of the Commissioner. The outstanding items should ... carried forward at the end of each year to the next years' ...gister. Before the end of the month, following each half year ... Commissioner should verify the investments made such as ...ional Savings Certificates, Prize bonds etc.

... LOANS

Government sanctions loans bearing interest and advances ...payable for construction of roads, bridges, building, markets, ...s stands, slaughter houses, for water supply and drainage ...hemes and for Town planning schemes The rate of interest ...d other conditions will be specified in the Government order ...anctioning the loan. The transactions relating to the loans will ...e entered in the Register of loans (Panchayat Union Form No. 69) showing the receipts, repayments thereof as also interest ...hereon. No portion of the loans shall be appropriated even ...emporarily to any object other than for which the loans ...re granted without the sanction of Government. If for any ...eason, the loan amount is not likely to be utilised for a period ... least six months, the Commissioner should invest it in

Form number.	*Description of forms.*
58.	Tender register.
59.	Agreement for supply of goods minimum quantity.
59A.	Agreements for supply of goods specified quantity.
60.	Contract agreements for major works.
60A.	Contract agreement for minor works.
61.	Nominal Muster roll.
61A.	Nominal Muster Roll (Inner sheet).
62.	Imprest Account.
63.	Miscellaneous supply bill.
64.	Register of permanent advance.
65.	Register of advances recoverable.
66.	Register of deposits.
67.	Register of deposits lapsed.
68.	Register of investments.
69.	Register of Loans.
70.	Appropriation subsidiary register.
71.	Security register of Panchayat Union employees.
72.	Panchayat Union Chitta.
73.	Number book for miscellaneous dues remitted into the Panchayat Union Office.
74.	Register of miscellaneous receipts.
75.	Register of money orders.
76.	Chalan for remittance into treasury.
77.	Cash book.
78.	Transfer entry.
79.	Transfer entry register.
80.	Petty cash book.
81.	Posting Register.
82.	Annual Account.
82A.	Abstract of Accounts.
82B.	D. C. B. statement.
83.	Daily cash balance report for the Panchayat Union Cash chest.
84.	Bill for Medical C[illegible]ants.
85.	M[illegible] supp[illegible] Board and an[illegible]

Form number.	*Description of forms.*
89.	Permanent advance disbursement Register.
90.	Register of assigned revenue, taxes and grants.
91.	Register of local roads grant.
92.	Register of social education grant.
93.	Register of women and children's welfare grant.
94.	Register of grants for maternity centres.
95.	Register of reimbursements.
96.	Register of compensatory grant (under Family-Planning scheme).
97.	Register of receipts and adjustments of dues to the panchayats.
98.	Register of village works grant (link roads/Rural water-supply/school buildings).
99.	Register of discretionary works grant.
100.	Register of special dearness allowance grant for teaching and non-teaching staff of panchayat union and aided schools.
101.	Register of bills.
102.	Register of treasury bill book.
103.	Register of service books.
104.	Cash remittance book.
105.	Register of sanction to fixed charges.
106.	Register of measurement books.
107.	Register of books received.
108.	Register of education grant disbursed to aided schools.

Margin notes (partially cut off):

159, L.A., Feb. (beside 89)

540, L.A., Mar. (beside 94)

Is.No. .D. & t. 6th 963.) (beside 107)

R.D., nts E. ated Jan. (beside 108)

Production Fund Forms.

1. Register of local irrigation grant.
2. Register of excess kudimaramath grant.
3. Register of agricultural grant.
4. Subsidiary register of receipts and sale of pesticides.
5. Form for claiming reimbursement of agricultural grant.
6. Register of grants for village industries.
7. Subsidiary cash book for transactions relating to village industries.
8. Purchase register.
9. Stores indent book.
10. Stock account of raw materials.
11. Work order register.
12. Material and labour abstract register.
13. Stock book of finished goods.
14. Wages abstract.
15. Sales register.
16. Servicing register.
17. Register for consignment accounts.
18. Control of expenditure statement.
19. Stock book of machinery tools, furniture and other assets.
20. Bill book for receipts.
21. Personal account.
22. Register of spinners.
23. Register for purchase of yarn and sale of cotton.
24. Stock register of yarn.
25. Khadi sales register.
26. Khadi stock register.
27. Invoice for inter-transfer of stocks between panchayats and panchayat unions only.
28. Bill book for receipts.
29. Monthly progress report.
30. Register showing receipts and distribution of special advance for purchase of yarn.
31. Ledger account for transactions with Grama Sevaks, Grama Sevikas.
32. Ledger for supplies received from officers of Khadi Board and amounts paid.

APPENDICES

Prescribed Forms

1. Register of local irrigation grant.
2. Register of [illegible] grant.
3. Register of agricultural grant.
4. Subsidiary register of receipts and sale of pesticides.
5. Form for claiming reimbursement of agricultural grant.
6. Register of grants for village industries.
7. Subsidiary cash book for transactions relating to village industries.
8. Purchase register.
9. Stores account book.
10. Stock account of raw materials.
11. Work order register.
12. Material and labour abstract register.
13. Stock book of finished goods.
14. Wages abstract.
15. Sales register.
16. Servicing register.
17. Register for consignment accounts.
18. Control of expenditure statement.
19. Stock book of machinery, tools, furniture, and other assets.
20. Bill book for receipts.
21. Personal account.
22. Register of apprentices.
23. Register for purchase of yarn and sale of cotton.
24. Stock register of yarn.
25. Retail sales register.
26. Yarn stock register.
27. Indent for inter-transfer of stocks between production and marketing unions only.
28. Bill book for receipts.
29. Monthly progress report.
30. Register showing receipts and distribution of special advance for purchase of yarn.
31. Ledger account for transactions with Gramin Sevaks, Gramin Sevikas

CHAPTER II

BUDGET

[illegible]nder section 140 of the Madras Panchayat Act 1958, an [illegible]al estimate of the anticipated receipts and expenditure for [illegible]ext financial year should be prepared by the Commissioner [illegible]e Panchayat Union under each of the funds by 1st Novem- [illegible] together with subsidiary statements such as endowment [illegible]ccount, loans account, loans statement, abstract of the advance [illegible]d deposits, Investment account etc as detailed in this chapter [illegible] the manual of instructions.

While preparing the budget of the union, the general principles as laid down in the Budget Manual should be followed. Provision should be made for what is expected to be paid, for all existing liabilities and likely to be incurred, for the working balance of not less than five percent of the estimated receipts of the Budget year excluding endowments, Government grants and debt heads. Care should be taken that deficits are not created.

Four copies of the budget with all the enclosures after examination by the Panchayat Union Council shall be sent to the Collectors through the Divisional Development Officers on or before 15th November of every year and the D.D.O. after scrutiny will forward three copies with his remarks to the Collector who will return one copy with his remarks and the remarks of the D.D.O. to the Panchayat Union Council before 15th January of each year and another copy to the Government for information retaining the third copy for his record. After carrying out the modifications, if any, suggested by the Collector, the budget shall again be placed before the Panchayat Union Council for sanction together with the elementary education budget as approved by the Director of Rural Development. In case of difference of opinion between the Collector and the Panchayat Union Council, the budget should be referred to the D.R.D. who has the power to modify it as he considers it necessary. A copy of the sanctioned budget should be forwarded the auditor.

The Education fund budget of the Panchayat Uni[illegible] also be prepared by the Commissioner on or before [illegible] ber of every year after circulation to the mem[illegible] Panchayat Union Council, submit to the Dire[illegible] Development through the D.E.O. on or before [illegible] [illegible] for[illegible] it with his rem[illegible]

The sanction of budget should not be construed as autho-risation for incurring expenditure as it is subject to sanctio being obtained from the competent authority wherever necess..

A constant watch over the progress of expenditure sho be kept to see that the total expenditure is kept within the sa tioned appropriation and in cases of excesses over budget es mates a statement of excesses shall be furnished to the Collect along with the revised estimate and after approval by the Colle tor, the same should be placed before the Panchayat Unio Council for approval by means of a resolution.

CHAPTER III

All sums received on account of Panchayat Union general funds and Production Funds shall be lodged into a Government Treasury or with the sanction of Government in any Bank. In the Dt. Treasuries and the sub-treasuries the account will be termed as "Local fund Deposit Account No. I". Similarly a separate Cash Book for the transactions of Education Fund is maintained with exclusive Treasury Pass Book and Cheque Book. This account is termed as L.F. Deposit account No. III. These accounts will be operated by the Panchayat Union Commissioner by means of cheques and the entries for remittances and drawals will be made in the pass books by the sub-treasuries concerned.

Moneys like licence fees, kist amounts etc. should be remitted by means of miscellaneous chalan in Panchayat Union form No. 5 in duplicate. The Cashier will receive cash and assign a number which will correspond to the number in his chitta after scrutiny of the chalan by Accountant and the original will be handed over to the party after it is duly signed by the Manager and the duplicate copy of the chalan will be kept for office record In the case of cheques the miscellaneous receipt in Panchayat Union form No. 86 should be issued only on realisation of the amount of the cheques.

In the case of collections by Field Officers, receipts in Panchayat Union Form No. 85 should be issued to the parties by the Field Officers and the amounts remitted periodically into the Panchayat Union Office by means of chalan in duplicate, the original being returned to the Field Officer and the duplicate being kept as record in the Panchayat Union Office. No miscellaneous receipt need be issued to th... such remittances as ... will serve the purp...